MDFB

Missouri Development Finance Board

Comprehensive Annual Financial Report

For the Years Ended June 30, 2017 and 2016

Prepared by the Accounting Department

Erica Griffin, CPA, Controller
Ryan Vermette, Compliance Officer

Comprehensive Annual Financial Report 2017

For the Fiscal Years Ended June 30, 2017 and 2016

The Missouri Development Finance Board
A Component Unit of the State of Missouri

Missouri Development Finance Board
200 Madison Street, Suite 1000
P.O. Box 567
Jefferson City, MO 65102
573/751-8479
www.mdfb.org

TABLE OF CONTENTS

Introductory Section

Financial Section

Statistical Section

FY 17

Missouri Development Finance Board

A Component Unit of the State of Missouri

Comprehensive Annual Financial Report

For the Years Ended June 30, 2017 and 2016

INTRODUCTORY SECTION

Principal Officials

BOARD MEMBERS

Ms. Marie J. Carmichael
Chair
Governor-Appointed Member
Springfield

Committees
Executive, Personnel, Finance, Audit

Mr. Reuben A. Shelton
Vice-Chairman
Governor-Appointed Member
St. Louis

Committees
Executive, Personnel

Mr. Matthew L. Dameron
Secretary
Governor-Appointed Member
Kansas City

Committees
Executive, Personnel, Audit

Mr. John E. Mehner
Treasurer
Governor-Appointed Member
Cape Girardeau

Committees
Executive, Personnel, Finance

Mr. Kelley M. Martin
Governor-Appointed Member
Kansas City

Committees
Finance, Audit

Mr. Patrick J. Lamping
Governor-Appointed Member
Barnhart

Committees
Audit

Mr. Bradley G. Gregory
Governor-Appointed Member
Bolivar

Committees
Audit, Finance

The Honorable Michael L. Parson
Lieutenant Governor
Ex-Officio Member

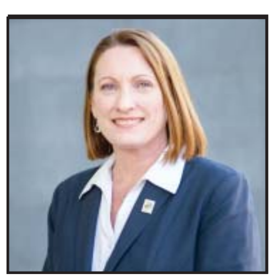
Mr. Mike Downing, Director
Department of
Economic Development
Ex-Officio Member

January 2014 to June 2017

Mr. Robert B. Dixon,
Acting Director, Department of
Economic Development
Ex-Officio Member

July 2017 to Current

Ms. Chris Chinn, Director
Department of Agriculture
Ex-Officio Member



Ms. Carol S. Comer, Director
Department of
Natural Resources
Ex-Officio Member

Board membership consists of eight volunteer members appointed by the Governor and confirmed by the Senate, and four ex-officio members.

Organizational Chart

Mr. Robert V. Miserez
Executive Director

Ms. Kathleen Barney
Senior Portfolio Manager

Ms. Erica Griffin, CPA
Controller

Ms. Kimberly Martin
Finance Programs Manager

Mr. Ryan Vermette
Compliance Officer

Ms. Valerie Haller
Executive Assistant

Ms. Erin Carel
Accounting Clerk/
Administrative Assistant

Board Counsel

Mr. David Queen
Gilmore & Bell, P.C.

Independent Certified Public Accountants

Ms. Heidi A. Chick, CPA
Williams-Keepers LLC

Missouri Development Finance Board

November 7, 2017

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the Missouri Development Finance Board (the Board), a component unit of the State of Missouri, for the fiscal years ended June 30, 2017 and 2016. The Accounting Department prepared this report, while responsibility for both the accuracy of the presented data and the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that was established for this purpose, rests with the Board. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Williams-Keepers LLC, Certified Public Accountants, have issued an unmodified ("clean") opinion on the Missouri Development Finance Board's financial statements for the years ended June 30, 2017 and 2016. The Independent Auditors' Report is located at the front of the Financial Section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditors' Report and provides a narrative introduction, overview and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read with it as well.

PROFILE OF THE GOVERNMENT

The Missouri Development Finance Board is a "body corporate and politic" created by the State of Missouri. Its statutory citation is the Revised Statutes of Missouri (RSMo) Sections 100.250 to 100.297 and 100.700 to 100.850. The Board's primary function is to structure and participate in the financing of Missouri business and public infrastructure. The Board is a discretely presented component unit within the State of Missouri's Comprehensive Annual Financial Report.

The original development board was created by Missouri statute in 1982 as the Missouri Industrial Development Board. The current legislative authorization dates to 1993 and was the fourth major statutory change since 1982. Each of these changes resulted in increased authority and responsibility for the Board in economic development and infrastructure financing.

The Board provides a diverse array of financing programs to carry out its mission of facilitating economic and infrastructure development projects. The Board administers seven programs and has two component units which correspond to its mission to benefit the citizens of the State of Missouri as follows:

Programs

1. Revenue Bonds for Private Commercial and Nonprofit Projects
   Pursuant to RSMo Section 100.275, the Board is authorized to issue revenue bonds for purposes permitted under RSMo Section 100.255, including the purchase, construction and improvement of facilities used for manufacturing and other commercial purposes, and for recreational and cultural facilities.

2. Revenue Bonds for Public Infrastructure Projects
   The Board is authorized to issue its revenue bonds to finance essential infrastructure improvements and related work for local governments, State agencies and qualified public/private partnerships.

3. Missouri Tax Credit for Contributions
   RSMo Section 100.286.6 authorized the Tax Credit for Contribution Program. Through this program, the Board is authorized to grant tax credits equal to 50% of contributions made to the Board. Contributions are used to pay the costs of public infrastructure projects approved by the Board. Per statute, during any calendar year the Board can authorize no greater than $10 million in credits. The limitation on tax credit authorization and approval provided under this subsection may be exceeded only upon mutual agreement, evidenced by a signed and properly notarized letter, by the Directors of the Departments of Economic Development and Revenue and the Commissioner of Administration, but in no event shall authorizations exceed $25 million in a calendar year.

4. Tax Credit Bond Enhancement Program
   The Tax Credit Bond Enhancement Program, authorized under RSMo Section 100.297, allows the Board to provide credit enhancement on public infrastructure revenue bonds it issues by assigning a tax credit reimbursement pledge in the event of a shortfall in project revenues on bonds it issues. This program is used for critical infrastructure facilities necessary to cause or leverage substantial private investment and jobs creation adjacent to the public facility being built or improved.

5. BUILD (Business Use Incentives for Large-Scale Development) Missouri Program
   The BUILD Missouri Program authorized under RSMo Sections 100.700 to 100.850 is an incentive tool that allows the Board, if recommended by the Department of Economic Development, to finance a portion of the costs of qualifying capital investments for eligible businesses that seek to locate or expand in Missouri and create a significant number of new jobs. The incentives offered by BUILD are designed to offset infrastructure and other capital costs of eligible large-scale projects with a reimbursable tax credit based on actual performance.

6. Missouri Infrastructure Development Opportunities Commission (MIDOC) Loan Program
   The MIDOC Program offers long-term, low-interest loans to local political subdivisions, including public water and sewer districts, to fund infrastructure improvements. Water and sewer projects addressing public health and safety receive priority. The program is structured as a revolving loan program with repayment proceeds used to provide additional loans for eligible infrastructure projects. Interest rates are 3.0 percent with a maximum loan amount of $150,000; however, if there is a critical need and with Board approval, this maximum loan amount may be exceeded.

7. Small Business Loan Program
   In 2009, the Board created and capitalized a $2 million revolving loan fund for small business loans. Loans are for $50,000 or less, bear interest at 3 percent, and can be used for capital and operating needs. Disaster loans can select either a 1 percent interest rate for up to 10 years or 3 percent with the first two years interest deferred. The maximum number of employees to be eligible is 15.

   From this fund, $250,000 was transferred to the St. Louis Economic Development Partnership (SLEDP) to create a loan pool targeted to businesses impacted by the civil disturbances in Ferguson, Missouri. This helped create a $1 million loan pool, of which $850,000 is restricted to 0 percent interest loans. SLEDP administers this program for loans in the amounts of $2,500 to $10,000.

Component Units

1. Seventh Street Garage Public Parking Corporation (SSGPPC)
   The SSGPPC is a blended component unit of MDFB and is reported within the Parking Garage Fund. SSGPPC is a legally separate corporation and meets the requirement for a charitable corporation under Federal income tax section 501(c)(3). Three Board members of MDFB serve as members for the SSGPPC. The SSGPPC was established primarily to serve as a qualified active low-income business (QALICB) located in a low-income census tract as defined in Section 45D of the Internal Revenue Code of 1986 as amended. The SSGPPC is responsible for the maintenance and operations of a garage at 601 Locust Street in St. Louis, Missouri, known as the Seventh Street Garage. The Board acquired the assets and operations of SSGPPC and SSGPPC was subsequently dissolved on June 30, 2017.

2. St. Louis Convention Center Hotel Community Improvement District/Transportation Development District Fund (SLCCH CID/TDD)
   The SLCCH CID/TDD is a blended component unit of MDFB and is reported as a governmental fund. The SLCCH CID/TDD was established during the fiscal year ended June 30, 2015 to account for the operations of the CID and TDD sales tax levy (at 1 percent), which is utilized to benefit 800 Washington LLC and Lennox Suites, LLC, in their license obligation to MDFB. MDFB uses the license payment for garage operations and maintenance of the St. Louis Convention Center Hotel Garage (SLCCHG). Four MDFB staff members serve on the Board and are responsible for monitoring district collections, paying district expenses, and collecting and transferring TIF funds to the City of St Louis.

ECONOMIC CONDITIONS

Per the Missouri Department of Economic Development's 2017 Missouri Economic Report, "Missouri's Gross Domestic Product (GDP) totaled an inflation-adjusted $263.9 billion in 2016 – a 1.1 percent increase over the previous year's $261.5 billion. Between June 2016 to June 2017 Missouri added over 46,600 jobs – a 1.6 percent employment growth for Missouri. Missouri's per capita personal income was $44,520 in the 1st Quarter 2017, up 3.2 percent from the 1st Quarter 2016. The State's unemployment rate was 3.8 percent, its lowest level since September 2000, as of June 2017. Missouri has a higher labor force participation rate than the nation – 65.8 percent compared to 62.8 percent. Nationally, as well as statewide, the number of old Americans (65+) staying in the labor force is increasing. During 2016, the *Health Care & Social Services* section added 8.146 jobs, the *Professional and Technical Services* sector added nearly 7,000, *Construction* added over 6,000 while the *Information* sector lost around 500 jobs. The Kansas City Region had the highest employment growth rate in 2015 (2.87 percent), adding over 15,100 new jobs. The Northeast Region and the St. Louis Region also had employment growth rates at 1.2 and 1.3 percent, respectively."

During the fiscal year ended June 30, 2017, the Board contributed to the growth in the Missouri economy by issuing BUILD bond incentives of $7 million to leverage investment in Missouri of approximately $194 million. In addition, the Board approved six Tax Credit for Contribution projects.

The Board also participated in the refinancing of one public activity revenue bond issuance for the City of Independence totaling $55 million.

LONG-TERM FINANCIAL PLANNING

In July 2017, the Board approved the operating budget for fiscal year 2018, and within the budget granted preliminary approval of the early redemption of a portion of long-term debt.

The fiscal year 2018 budget also includes capital improvements within the parking garages to ensure the continuation of their useful lives and purposes. The improvements for the Ninth Street Garage (NSG) and the St. Louis Convention Center Hotel Garage (SLCCHG) are a continuation of a condition assessment and 10-year capital maintenance plan put together for the Board by a professional engineering firm in fiscal year 2015 and first implemented in fiscal year 2016. This has provided the Board with a better understanding of necessary repairs and/or improvements that should be projected over the next 10 years and the expected life of those repairs.

RELEVANT FINANCIAL POLICIES

The Board has one blended component unit which accounts for its activities as a governmental fund. All other Board activities are enterprise funds, a type of proprietary fund. Proprietary funds are used to account for ongoing activities of a governmental entity that are similar to activities found in the private sector. Budgets are not required for proprietary funds in accordance with generally accepted accounting principles. Likewise, since MDFB is a legally separate entity that does not receive State appropriations, it is not required to adhere to an appropriations budget like departments within the State of Missouri. During 2006, the Board voted to establish an ***operating budget*** for the Industrial Development and Reserve Fund for fiscal year 2007 and future years as a guide to aid in the Board's planning efforts. In March 2008, in order to improve its budget efforts, the operating budget was expanded to contain a three-year projection. For fiscal year 2013, to further enhance the budget projections, the parking garage operations were incorporated into this budget.

The Board has purchasing procedures in place to handle budgeted and unbudgeted expenses as updated in July 2015. Per Board policy, non-budgeted expenses up to $10,000 must be approved by the Executive Director, non-budgeted items over $10,000 but less than $20,000 must be approved by the Executive Director and the Controller or Senior Accountant, non-budgeted items over $20,000 but less than $50,000 must be approved by the Executive Committee, and non-budgeted items in excess of $50,000 must be approved by the full Board. All non-budgeted items must be reported to the full Board at the next meeting by supplemental schedule to the financial statements.

In January 2013, the Board amended its Investment Policy in response to a request from U.S. Bank to collateralize MDFB deposits with irrevocable standby Letters of Credit issued by the Federal Home Loan Bank. Previously, the Board's investments at U.S. Bank and other financial institutions were collateralized by federal agency discount notes. The ability to use such collateral allowed U.S. Bank and other institutions holding collateral on behalf of the Board to better meet in-house liquidity thresholds. Such collateral was deemed adequate by Board legal counsel, as well as the Missouri State Treasurer's Investment Policy for state and local government investments. A copy of this policy can be requested by contacting MDFB at www.mdfb.org.

The Board is a public governmental body, as described in RSMo Section 610.010(4), and therefore is subject to the Sunshine Law. In February 2005, the Board adopted an initial Sunshine Policy. In June 2014, the Board amended its policy to be more comprehensive and detailed. A copy of the revised policy can be requested by contacting MDFB at www.mdfb.org.

Major Initiatives

In 2010, the Board formed SSGPPC, a wholly owned nonprofit subsidiary of the Board, to facilitate participation in the Federal New Markets Tax Credit Program for the construction of the Seventh Street Garage (SSG). In connection with the construction and the NMTC program, SSGPPC had total outstanding long-term debt of $29,840,934 which it entered into an Investment Put and Call Agreement as part of the NMTC program. The NMTC program expired in 2017 and due to the Investment Put and Call Agreement, the Board was able to purchase its interest in the debt of SSGPPC for $1,000 resulting in the extinguishment of the $29,840,934 in loans based upon standard NMTC program practices. After the Board was the sole owner of the loan receivable with SSGPPC, the Board dissolved SSGPPC and merged its assets with the Seventh Street Garage MDFB Fund.

The Board continued to evaluate the purchase option on the Old Post Office (OPO) in St. Louis which was set to expire December 31, 2016. The Board acquired title to the vacant OPO in 2004 from the U.S. General Services Administration at no cost. The Board then executed a 99-year lease of the OPO with St. Louis' U.S. Custom House & Post Office Building Associates, L.P., to rehabilitate the property. Per the master lease agreement, the Board had a two-year option to purchase the OPO leasehold interest from the OPO Master Lessee beginning December 31, 2014 at the greater of the fair market value of the leasehold interest in the property or the development debt outstanding. Only the Board or the State of Missouri is permitted to own the property. Instead of purchasing the OPO, the Board modified the terms of the original loan it held with the OPO Master Lessee for favorable terms at 4 percent interest and the Board assumed the OPO Master Lessee's first mortgage totaling $5,169,000 at 3.5 percent interest. The purchase option was extended to December 31, 2031.

In an effort to ensure public safety and provide cost savings, the Board upgraded the lighting system at the SLCCHG by installing energy efficient LED lighting during fiscal year 2016. Offset by an energy efficient rebate, the new lighting improved the light output, lowered the utility cost by almost half, and is expected to reduce future maintenance costs. Due to the positive impact of this expenditure, the Board approved lighting upgrades at the NSG during fiscal year 2017 as part of their long-term planning. These improvements are expected to be completed in fiscal year 2018.

In calendar year 2017, the Board voted to return to an open cycle application process for eligible applicants in order to apply to the Tax Credit for Contribution Program. The Board will continue to use a summary application to determine basic eligibility. Applicants may be required to present their application to the Board or to submit additional materials.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the MDFB for its comprehensive annual financial report for the fiscal year ended June 30, 2016. This was the seventeenth consecutive year that the Board has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental entity must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

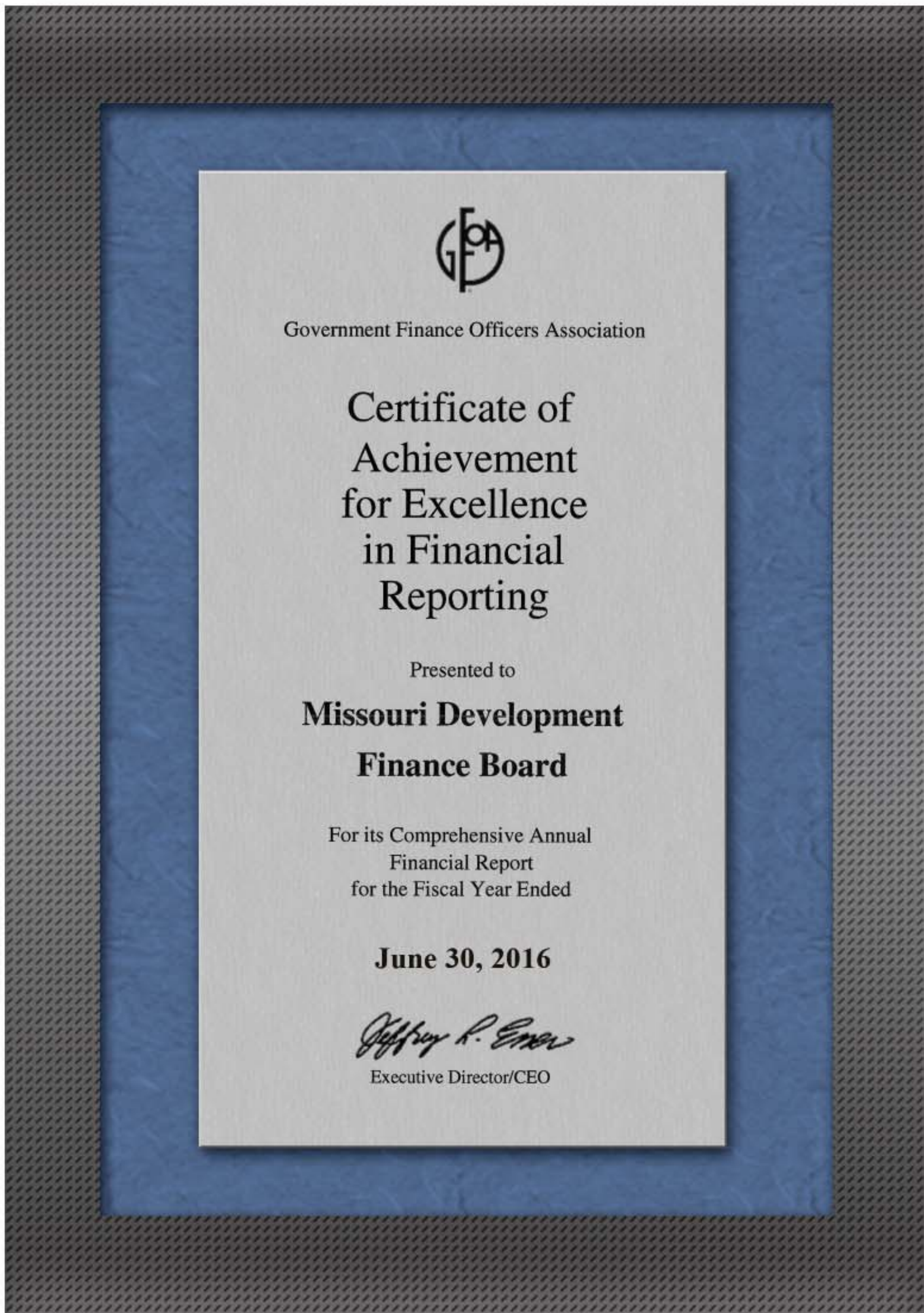
Acknowledgments

The preparation of the comprehensive annual financial report could not have been accomplished without the dedicated services of all Board staff. We would like to thank the firm of Williams-Keepers LLC and their staff for their assistance in the preparation of this report; John E. Mehner for serving as Board Treasurer; and the MDFB Audit Committee for their oversight and guidance.

Respectfully submitted,

Erica Griffin, CPA	Ryan Vermette
Controller	Compliance Officer

GFOA Certificate of Achievement



Missouri Development Finance Board
A Component Unit of the State of Missouri

FY 17

Comprehensive Annual Financial Report
For the Years Ended June 30, 2017 and 2016

FINANCIAL SECTION

Independent Auditors' Report

WILLIAMS KEEPERS LLC
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

2005 West Broadway, Suite 100, Columbia, MO 65203
OFFICE (573) 442-6171 FAX (573) 777-7800
3220 West Edgewood, Suite E, Jefferson City, MO 65109
OFFICE (573) 635-6196 FAX (573) 644-7240
www.williamskeepers.com

Members of the
Missouri Development Finance Board

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Missouri Development Finance Board (the Board), a component unit of the State of Missouri, as of and for the years ended June 30, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Board as of June 30, 2017 and 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in conformity with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis and the pension plan schedules as listed on the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board's basic financial statements. The introductory section, combining fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the combining fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audits of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Williams Keepers LLC

November 7, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Missouri Development Finance Board (the Board), we offer readers of the Board's financial statements this narrative overview and analysis of the financial activities of our organization for the fiscal years ended June 30, 2017 and 2016.

Financial Highlights

- During fiscal year 2017, the Board's total net position increased by $9,855,672. The increase is attributable to favorable parking garage revenues, stable operating expenses, the dissolution of SSGPPC with a reallocation of assets to MDFB, and no contributions to others as in previous years.

- During fiscal year 2017, the Board, due to the structure of the NMTC program associated with the SSGPPC debt, was able to purchase its interest in the debt and dissolve SSGPPC while merging its assets and operations into the Seventh Street Garage MDFB Fund. This removed debt from SSGPPC and removed a loan receivable from MDFB SSG that was associated with the construction of the garage through the NMTC program. This resulted in the Parking Garage Fund recognizing a capital contribution of $5,868,276 upon the dissolution of the NMTC project.

- The Board has continued to hold a majority of its current assets in cash, invested in money market accounts that utilize overnight repurchase agreements due to unknown demands, especially within the Tax Credit for Contribution Program.

- During fiscal year 2017, the Board paid $204,000 in principal on the bonds that were issued during 2010 to assist with the financing on the Seventh Street Garage. The Board also early redeemed $2 million in debt on the 2000C St. Louis Convention Center Hotel Garage Debt.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the Board's basic financial statements. Government financial statements are presented as three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

In addition to the basic financial statements, the Board has opted to present combining schedules for the Parking Garage Fund and the Revolving Loan Fund as supplementary information.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Board, like other discretely presented component units of the State of Missouri, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. There are three categories available for governmental accounting: governmental funds, proprietary funds, and fiduciary funds. The Board's funds can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of monetary resources, as well as on balances of monetary resources available at the end of the fiscal year.

The Board maintains one governmental fund, the St. Louis Convention Center Hotel CID/TDD Fund. Information is presented separately in the government-wide financial statements for this activity.

Proprietary funds. Proprietary funds consist of two types of funds: internal service funds and enterprise funds. Of the two types of proprietary funds, the Board maintains one type – enterprise funds. Enterprise funds are used to report the

same functions presented as business-type activities. Specifically, enterprise funds account for operations that provide a service to citizens that are financed primarily by a user charge for the provision of that service. Enterprise funds also account for activities where the periodic measurement of net income is deemed appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Industrial Development and Reserve Fund, the Parking Garage Fund, and the Revolving Loan Fund. All funds are considered to be major funds.

Notes to the financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the fund financial statements.

Combining schedules. The combining schedules have been included as supplementary information to provide additional information for the Board's Parking Garage Fund and Revolving Loan Fund.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Board, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $100,184,857 at the close of fiscal year 2017, $90,329,185 at the close of fiscal year 2016, and by $87,004,198 at the close of fiscal year 2015.

Net Position as of June 30:

	Governmental Activities			Business-Type Activities			Total		
	2017	2016	2015	2017	2016	2015	2017	2016	2015
Current and other assets	$ 190,100	$ 147,170	$ 177,105	$ 49,268,862	$ 72,857,789	$ 67,656,725	$ 49,458,962	$73,004,959	$ 67,833,830
Restricted Assets	-	-	-	20,312,888	21,271,520	21,032,782	20,312,888	21,271,520	21,032,782
Capital Assets	-	-	-	67,229,205	66,348,788	67,967,091	67,229,205	66,348,788	67,967,091
Total Assets	190,100	147,170	177,105	136,810,955	160,478,097	156,656,598	137,001,055	160,625,267	156,833,703
Deferred outflows of resources	-	-	-	776,841	530,130	453,435	776,841	530,130	453,435
Current liabilities	190,100	147,170	177,105	449,194	704,241	447,850	639,294	851,411	624,955
Noncurrent liabilities	-	-	-	36,915,601	69,952,740	69,482,198	36,915,601	69,952,740	69,482,198
Total liabilities	190,100	147,170	177,105	37,364,795	70,656,981	69,930,048	37,554,895	70,804,151	70,107,153
Deferred inflows of resources	-	-	-	38,144	22,061	175,787	38,144	22,061	175,787
Net position:									
Net investment in capital assets	-	-	-	47,533,205	14,607,854	16,031,157	47,533,205	14,607,854	16,031,157
Restricted	-	-	-	6,788,699	7,394,180	7,936,899	6,788,699	7,394,180	7,936,899
Unrestricted	-	-	-	45,862,953	68,327,151	63,036,142	45,862,953	68,327,151	63,036,142
Total net position	$ -	$ -	$ -	$ 100,184,857	$ 90,329,185	$ 87,004,198	$ 100,184,857	$ 90,329,185	$ 87,004,198

Unrestricted net position may be used to meet the Board's ongoing obligations to citizens and creditors. Restricted net position is restricted to specific purposes and may not be used for anything else. Capital assets are used to provide services to the citizens of Missouri and are not spendable.

There was no material change in capital assets during fiscal year 2017 or 2016. The increase during fiscal year 2017 is due to ongoing maintenance and capital replacements at the three garages.

The decrease in restricted assets of $958,632 from 2016 to 2017 is due to decreased funds on hand raised by the Tax Credit for Contribution Program and the removal of restrictions from financial institutions due to the dissolution of SSGPPC. The increase in restricted assets of $238,738 from 2015 to 2016 is due to increased funds on hand raised by the Tax Credit for Contribution Program.

The change in total net position for fiscal year 2017 is due to strong parking garage revenues, the removal of the loan loss contingency associated with the Old Post Office loan due to a restructuring of the debt, and the merger of SSGPPC assets into SSG which resulted in SSG receiving the garage asset with no loan liability. The change in total net position for fiscal year 2016 is due to strong parking garage revenues and participation fees from the Tax Credit for Contribution Program.

Changes in Net Position for the Years Ended June 30:

	Governmental Activities			Business-Type Activities			Total		
	2017	2016	2015	2017	2016	2015	2017	2016	2015
Revenues:									
Program Revenue:									
Participation fees	$ -	$ -	$ -	$ 982,969	$ 2,229,007	$ 1,475,268	$ 982,969	$ 2,229,007	$ 1,475,268
Interest on loans & notes receivable	-	-	-	864,724	561,999	559,810	864,724	561,999	559,810
Rental income	-	-	-	1,085,504	233,159	233,159	1,085,504	233,159	233,159
Contractual income	-	-	-	-	-	11,250	-	-	11,250
Parking garage revenue	-	-	-	5,549,313	5,277,053	5,175,893	5,549,313	5,277,053	5,175,893
DREAM revenue	-	-	-	-	-	5,698	-	-	5,698
General Revenue:									
Taxes	954,680	705,540	705,655	-	-	-	954,680	705,540	705,655
Other income	-	-	-	2,505,571	326,652	705,836	2,505,571	326,652	705,836
Non-operating Revenues:									
Interest on cash & investments	-	-	-	98,866	83,603	273,467	98,866	83,603	273,467
Other non-operating revenue	-	-	-	-	600,000	-	-	600,000	-
Total Revenues	954,680	705,540	705,655	11,086,947	9,311,473	8,440,381	12,041,627	10,017,013	9,146,036
Expenses:									
Personnel services	-	-	-	833,768	700,913	726,121	833,768	700,913	726,121
Professional fees	-	-	-	480,823	274,227	232,300	480,823	274,227	232,300
Depreciation & amortization	-	-	-	1,979,420	1,946,991	1,927,783	1,979,420	1,946,991	1,927,783
Parking garage operating expenses	-	-	-	2,536,426	1,585,903	1,690,374	2,536,426	1,585,903	1,690,374
DREAM expense	-	-	-	-	256,040	326,289	-	256,040	326,289
Other expenses	-	-	-	283,838	250,727	354,973	283,838	250,727	354,973
SLCCH CID/TDD program	954,680	705,540	705,655	-	-	-	954,680	705,540	705,655
Total Operating Expenses	954,680	705,540	705,655	6,114,275	5,014,801	5,257,840	7,068,955	5,720,341	5,963,495
Non-operating Expenses:									
Bond expense and interest expense	-	-	-	970,826	971,685	701,838	970,826	971,685	701,838
Contributions to others	-	-	-	14,450	-	1,850,000	14,450	-	1,850,000
Total Expenses	954,680	705,540	705,655	7,099,551	5,986,486	7,809,678	8,054,231	6,692,026	8,515,333
Dissolution of component unit	-	-	-	5,868,276	-	-	5,868,276	-	-
Change in Net Position	-	-	-	9,855,672	3,324,987	630,703	9,855,672	3,324,987	630,703
Net Position, beginning of year (restated 2015)	-	-	-	90,329,185	87,004,198	86,373,495	90,329,185	87,004,198	86,373,495
Net Position, end of year	$ -	$ -	$ -	$100,184,857	$90,329,185	$87,004,198	$100,184,857	$90,329,185	$87,004,198

- Participation fees decreased $1,246,038 (56%) during fiscal year 2017 due to decreased tax credit contributions received. Participation fees increased $753,739 (51%) during fiscal year 2016 due to increased tax credit contributions received.

- Rental income increased $852,345 (366%) during fiscal year 2017 due to the dissolution of the component unit SSGPPC resulting in the cancellation of a lease agreement and the recognition of unearned revenue upon cancellation. Rental income did not change for fiscal year 2016.

- Interest on loans receivable for fiscal year 2017 increased $302,725 (54%) due to a modification in loan terms for the Old Post Office loan during the year, normal amortization under the effective interest method, and continued payments on receivables outstanding. Interest on loans receivable for fiscal year 2016 increased $2,189 (0.3%) due to normal amortization under the effective interest method.

- Parking garage revenue increased $272,260 (5%) in fiscal year 2017 and $101,160 (2%) in fiscal year 2016. The increase is the result of additional leased spaces and increased transient parking revenue.

- Interest on cash and return on investments increased $15,263 (18%) for fiscal year 2017 due to rising interest rates on investments. Interest income on cash and investments decreased by $189,864 (69%) for fiscal year 2016 due to interest rates on investments not yielding much more than overnight repurchase agreements.

- Taxes include the sales taxes received in relation to the SLCCH CID/TDD. Tax revenue increased $249,140 (35%) for fiscal year 2017 and decreased $115 (0%) for fiscal year 2016.

- Other income increased $2,148,919 (658%) in fiscal year 2017 due to an adjustment on the OPO loan receivable allowance account in conjunction with the modification of the loan terms. Other income decreased $379,184 (54%) in fiscal year 2016 as no additional adjustment on the OPO loan receivable was needed when compared to fiscal year 2015.

- Other non-operating revenues decreased $600,000 (100%) in fiscal year 2017 as the prior year revenue item was a one-time receipt of income. Other non-operating revenue increased $600,000 (100%) in fiscal year 2016 due to the receipt of monies related to a settlement of claims for the Seventh Street Garage.

- Dissolution of component unit increased $5,868,276 (100%) in fiscal year 2017 due to the transfer of assets from SSGPPC to MDFB and the release of related debt. There is no such transactions in fiscal year 2016.

- Operating expenses increased $1,348,614 (24%) in fiscal year 2017. The increase is due to expenses associated with the SLCCH CID/TDD Program, and increased parking garage operating expenses resulting from the recognition of deferred rent expense for SSGPPC upon the dissolution and merger with MDFB. Operating expenses decreased $243,154 (4%) in fiscal year 2016. The decrease is due to lower parking garage operating expenses primarily from reduced utility costs associated with the lighting upgrade at SLCCHG.

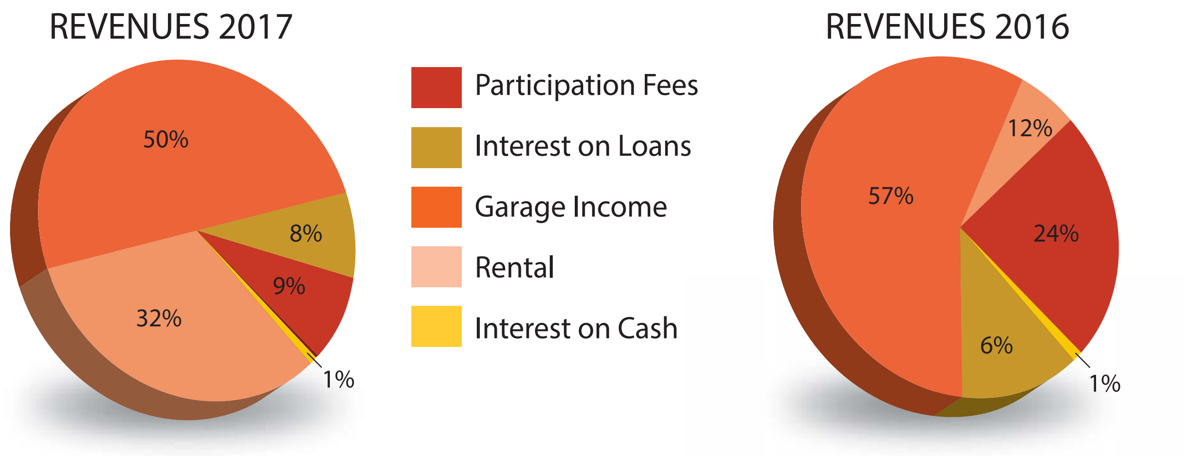
Changes in Net Position for the Years Ended June 30:

	2017		2016		2015	
	Amount	Percent	Amount	Percent	Amount	Percent
Operating income	$ 4,873,806	49.45%	$ 3,613,069	108.66%	$ 2,909,074	461.24%
Non-operating revenue (expense)	(886,410)	(8.99)	(288,082)	(8.66)	(2,278,371)	(361.24)
Dissolution of component unit	5,868,276	59.54	-	-	-	-
Change in net position	$ 9,855,672	100.00%	$ 3,324,987	100.00%	$ 630,703	100.00%

For 2016 to 2017, operating income is up $1,260,737 (35%) from the prior fiscal year due to a reduction in a loan receivable loss contingency resulting in additional income and slightly increasing garage revenues.

For 2015 to 2016, operating income is up $703,995 (24%) from the prior fiscal year due to increased participation fees from the Tax Credit for Contribution Program and steadily increasing garage revenues. Non-operating revenue (expense) is up $1,990,289 (87%) due to no contributions to others and revenue related to a litigation settlement received during fiscal year 2016.

Business-Type Activities



Capital Assets

The Board's investment in capital assets for its business-type activities as of June 30, 2017 is $67,229,205, net of depreciation. This is an increase of $880,417 (1%) from fiscal year 2016 due to ongoing capital replacement repairs being conducted at all three garages. The change in the Board's investment in capital assets for fiscal years 2015 to 2016 was a decrease of $1,618,303 (2%) attributable to the recording of depreciation.

Capital Assets (net of depreciation)

	2017	2016	2015
Land	$ 7,219,739	$ 7,219,739	$ 7,219,739
Building	59,617,545	58,799,914	60,656,879
Construction in progress	203,630	101,229	-
Equipment	88,690	111,409	84,239
Leasehold improvements	99,601	115,616	1
Accounting software	-	881	6,233
Total	$ 67,229,205	$ 66,348,788	$ 67,967,091

Additional information on the Board's capital assets can be found in Note 7 to the financial statements.

Long-Term Debt

For the fiscal year ended 2017, the Board's total long-term debt outstanding was $19,696,000. During fiscal year 2017, $2,359,286 in principal was paid and $29,685,648 in principal was cancelled due to the dissolution of SSGPPC.

For the fiscal year ended 2016, the Board's total long-term debt outstanding was $51,740,934. During fiscal year 2016, $195,000 in principal was paid. For the fiscal year ended 2015, the Board's total long-term debt outstanding was $51,935,934. During fiscal year 2015, $189,000 in principal was paid.

None of this amount comprises debt backed by the full faith and credit of the State of Missouri.

Outstanding Debt

	2017	2016	2015
Outstanding bond debt	$ 19,696,000	$ 51,740,934	$ 51,935,934

Additional information on the Board's long-term debt can be found in Note 10 to the financial statements.

Requests for Information

This financial report is designed to provide a general overview of the Missouri Development Finance Board's finances for all those with an interest in the Board's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Missouri Development Finance Board, Controller, P. O. Box 567, 200 Madison Street, Suite 1000, Jefferson City, Missouri 65102.

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Missouri Development Finance Board
Statement of Net Position | *June 30, 2017*

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ -	$ 23,163,511	$ 23,163,511
Current portion of loans and notes receivable	-	240,643	240,643
Accrued interest on investments	-	34,542	34,542
Accrued interest on loans and notes receivable	-	131,011	131,011
Interfund receivables (payables)	(190,100)	190,100	-
Prepaid expenses and other assets	-	213,137	213,137
Sales tax receivables	190,100	-	190,100
Total current assets	-	23,972,944	23,972,944
Noncurrent assets:			
Restricted assets	-	20,312,888	20,312,888
Derivative instrument – interest rate cap agreement	-	261	261
Long-term portion of loans and notes receivable	-	25,295,657	25,295,657
Capital assets:			
Assets not being depreciated	-	7,423,369	7,423,369
Assets being depreciated, net	-	59,805,836	59,805,836
Total noncurrent assets	-	112,838,011	112,838,011
Total assets	-	136,810,955	136,810,955
DEFERRED OUTFLOWS OF RESOURCES			
Accumulated decrease in fair value of hedging derivatives	-	386,739	386,739
Pension contributions and other	-	390,102	390,102
Total deferred outflows of resources	-	776,841	776,841
LIABILITIES			
Current liabilities:			
Accounts payable and other accrued liabilities	-	205,849	205,849
Accrued bond interest payable	-	29,345	29,345
Current portion of long-term debt	-	214,000	214,000
Total current liabilities	-	449,194	449,194
Noncurrent liabilities:			
Long-term debt	-	19,482,000	19,482,000
Unearned revenue	-	836,930	836,930
Net pension liability	-	1,124,116	1,124,116
Other accrued liabilities	-	39,539	39,539
Payable from restricted assets:			
Tax credit for contribution and other deposits	-	15,433,016	15,433,016
Total noncurrent liabilities	-	36,915,601	36,915,601
Total liabilities	-	37,364,795	37,364,795
DEFERRED INFLOWS OF RESOURCES			
Pension other	-	38,144	38,144
Total deferred inflows of resources	-	38,144	38,144
NET POSITION			
Net investment in capital assets	-	47,533,205	47,533,205
Restricted			
Restricted for debt service	-	1,875,000	1,875,000
Restricted for revolving loan funds	-	4,913,699	4,913,699
Unrestricted	-	45,862,953	45,862,953
Total net position	$ -	$ 100,184,857	$ 100,184,857

The notes to the financial statements are an integral part of this statement.

Missouri Development Finance Board
Statement of Net Position | *June 30, 2016*

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ -	$ 29,593,482	$ 29,593,482
Current portion of loans and notes receivable	-	538,433	538,433
Accrued interest on investments	-	9,998	9,998
Accrued interest on loans and notes receivable	-	55,352	55,352
Interfund receivables (payables)	(147,170)	147,170	-
Prepaid expenses and other assets	-	1,177,737	1,177,737
Sales tax receivables	147,170	-	147,170
Total current assets	-	31,522,172	31,522,172
Noncurrent assets:			
Restricted assets	-	21,271,520	21,271,520
Derivative instrument – interest rate cap agreement	-	362	362
Long-term portion of loans and notes receivable	-	41,335,255	41,335,255
Capital assets:			
Assets not being depreciated	-	7,320,968	7,320,968
Assets being depreciated, net	-	59,027,820	59,027,820
Total noncurrent assets	-	128,955,925	128,955,925
Total assets	-	160,478,097	160,478,097
DEFERRED OUTFLOWS OF RESOURCES			
Accumulated decrease in fair value of hedging derivatives	-	386,638	386,638
Pension contributions and other	-	143,492	143,492
Total deferred outflows of resources	-	530,130	530,130
LIABILITIES			
Current liabilities:			
Accounts payable and other accrued liabilities	-	277,953	277,953
Accrued bond interest payable	-	52,944	52,944
Payable from restricted assets	-	14,058	14,058
Current portion of long-term debt	-	359,286	359,286
Total current liabilities	-	704,241	704,241
Noncurrent liabilities:			
Long-term debt	-	51,381,648	51,381,648
Unearned revenue	-	1,752,120	1,752,120
Net pension liability	-	812,507	812,507
Other accrued liabilities	-	41,871	41,871
Payable from restricted assets:			
Tax credit for contribution and other deposits	-	15,964,594	15,964,594
Total noncurrent liabilities	-	69,952,740	69,952,740
Total liabilities	-	70,656,981	70,656,981
DEFERRED INFLOWS OF RESOURCES			
Pension other	-	22,061	22,061
Total deferred inflows of resources	-	22,061	22,061
NET POSITION			
Net investment in capital assets	-	14,607,854	14,607,854
Restricted			
Restricted for debt service	-	1,875,000	1,875,000
Restricted for revolving loan funds	-	4,876,947	4,876,947
Restricted for new market tax credit program fees	-	642,233	642,233
Unrestricted	-	68,327,151	68,327,151
Total net position	$ -	$ 90,329,185	$ 90,329,185

The notes to the financial statements are an integral part of this statement.

Missouri Development Finance Board
Statement of Activities | *For the Year Ended June 30, 2017*

	Expenses	Program Revenues - Charges for Services	Net Revenue (Expense) and Changes in Net Position: Governmental Activities	Business-Type Activities	Total
PROGRAM/FUNCTION					
Governmental activities:					
St. Louis Convention Center Hotel CID/TDD program	$ 954,680	$ -	$ (954,680)	$ -	$ (954,680)
Total governmental activities	954,680	-	(954,680)	-	(954,680)
Business-type activities:					
Industrial development and reserve program	1,282,048	3,894,710	-	2,612,662	2,612,662
Parking garage program	5,794,635	7,031,638	-	1,237,003	1,237,003
Revolving loan program	22,868	61,733	-	38,865	38,865
Total business-type activities	7,099,551	10,988,081	-	3,888,530	3,888,530
Total	$ 8,054,231	$ 10,988,081	(954,680)	3,888,530	2,933,850
General revenue:					
Sales tax revenues			954,680	-	954,680
Interest on cash and return on investments			-	98,866	98,866
Total general revenues			954,680	98,866	1,053,546
Contributed capital from dissolution of component unit			-	5,868,276	5,868,276
Changes in net position			-	9,855,672	9,855,672
Net position - beginning			-	90,329,185	90,32,185
Net position - ending			$ -	$100,184,857	$100,184,857

The notes to the financial statements are an integral part of this statement.

Missouri Development Finance Board
Statement of Activities | *For the Year Ended June 30, 2016*

	Expenses	Program Revenues - Charges for Services	Net Revenue (Expense) and Changes in Net Position: Governmental Activities	Business-Type Activities	Total
PROGRAM/FUNCTION					
Governmental activities:					
St. Louis Convention Center Hotel CID/TDD program	$ 705,540	$ -	$ (705,540)	$ -	$ (705,540)
Total governmental activities	705,540	-	(705,540)	-	(705,540)
Business-type activities:					
Industrial development and reserve program	1,304,499	2,625,878	-	1,321,379	1,321,379
Parking garage program	4,681,252	6,536,029	-	1,854,777	1,854,777
Revolving loan program	735	65,963	-	65,228	65,228
Total business-type activities	5,986,486	9,227,870	-	3,241,384	3,241,384
Total	$ 6,692,026	$ 9,227,870	(705,540)	3,241,384	2,535,844
General revenue:					
Sales tax revenues			705,540	-	705,540
Interest on cash and return on investments			-	83,603	83,603
Total general revenues			705,540	83,603	789,143
Changes in net position			-	3,324,987	3,324,987
Net position - beginning			-	87,004,198	87,004,198
Net position - ending			$ -	$ 90,329,185	$ 90,329,185

The notes to the financial statements are an integral part of this statement.

Missouri Development Finance Board
Balance Sheet
Governmental Fund | St. Louis Convention Center Hotel CID/TDD Fund
June 30, 2017 and 2016

	2017	2016
ASSETS		
Sales tax receivables	$ 190,100	$ 147,170
Total assets	190,100	147,170
LIABILITIES		
Interfund payables	190,100	147,170
Total liabilities	190,100	147,170
FUND BALANCE		
Restricted for special district funding	-	-
Total liabilities and fund balance	$ 190,100	$ 147,170

The notes to the financial statements are an integral part of this statement.

Missouri Development Finance Board

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Fund | St. Louis Convention Center Hotel CID/TDD Fund

For the Years Ended June 30, 2017 and 2016

	2017	2016
REVENUES		
Sales tax revenues	$ 954,680	$ 705,540
Total revenues	954,680	705,540
EXPENDITURES		
License payments	946,070	686,506
Other payments	8,610	19,034
Total expenditures	954,680	705,540
Net change in fund balance	-	-
Fund balance – beginning	-	-
Fund balance – ending	$ -	$ -

The notes to the financial statements are an integral part of this statement.

Missouri Development Finance Board
Statement of Net Position
All Proprietary Fund Types | *June 30, 2017*

	Industrial Development and Reserve Fund	Parking Garage Fund	Revolving Loan Fund	Total Business-Type Activities
ASSETS				
Current assets:				
Cash and cash equivalents	$ 10,083,438	$ 13,080,073	$ -	$ 23,163,511
Current portion of loans and notes receivable	-	15,552	225,091	240,643
Accrued interest on investments	26,898	2,202	5,442	34,542
Accrued interest on loans and notes receivable	119,091	-	11,920	131,011
Interfund receivables	-	190,100	-	190,100
Prepaid expenses and other assets	25,159	187,978	-	213,137
Total current assets	10,254,586	13,475,905	242,453	23,972,944
Noncurrent assets:				
Restricted assets	15,433,016	1,875,000	3,004,872	20,312,888
Derivative instrument – interest rate cap agreement	-	261	-	261
Long-term portion of loans and notes receivable	18,629,203	5,000,000	1,666,454	25,295,657
Capital assets:				
Assets not being depreciated	-	7,423,369	-	7,423,369
Assets being depreciated, net	130	59,805,706	-	59,805,836
Total noncurrent assets	34,062,349	74,104,336	4,671,326	112,838,011
Total assets	44,316,935	87,580,241	4,913,779	136,810,955
DEFERRED OUTFLOWS OF RESOURCES				
Accumulated decrease in fair value of hedging derivatives	-	386,739	-	386,739
Pension contributions and other	390,102	-	-	390,102
Total deferred outflows of resources	390,102	386,739	-	776,841
LIABILITIES				
Current liabilities:				
Accounts payable and other accrued liabilities	171,150	34,619	80	205,849
Accrued bond interest payable	-	29,345	-	29,345
Current portion of long-term debt	-	214,000	-	214,000
Total current liabilities	171,150	277,964	80	449,194
Noncurrent liabilities:				
Long-term debt	-	19,482,000	-	19,482,000
Unearned revenue	-	836,930	-	836,930
Net pension liability	1,124,116	-	-	1,124,116
Other accrued liabilities	39,539	-	-	39,539
Payable from restricted assets:				
Tax credit for contribution and other deposits	15,433,016	-	-	15,433,016
Total noncurrent liabilities	16,596,671	20,318,930	-	36,915,601
Total liabilities	16,767,821	20,596,894	80	37,364,795
DEFERRED INFLOWS OF RESOURCES				
Pension other	38,144	-	-	38,144
Total deferred inflows of resources	38,144	-	-	38,144
NET POSITION				
Net investment in capital assets	130	47,533,075	-	47,533,205
Restricted				
Restricted for debt service	-	1,875,000	-	1,875,000
Restricted for revolving loan funds	-	-	4,913,699	4,913,699
Unrestricted	27,900,942	17,962,011	-	45,862,953
Total net position	$ 27,901,072	$ 67,370,086	$ 4,913,699	$ 100,184,857

The notes to the financial statements are an integral part of this statement.

Missouri Development Finance Board
Statement of Net Position
All Proprietary Fund Types | *June 30, 2016*

	Industrial Development and Reserve Fund	Parking Garage Fund	Revolving Loan Fund	Total Business-Type Activities
ASSETS				
Current assets:				
Cash and cash equivalents	$ 15,234,144	$ 14,359,338	$ -	$ 29,593,482
Current portion of loans and notes receivable	262,700	46,625	229,108	538,433
Accrued interest on investments	4,197	3,202	2,599	9,998
Accrued interest on loans and notes receivable	20,806	19,866	14,680	55,352
Interfund receivables	-	147,170	-	147,170
Prepaid expenses and other assets	25,305	1,152,432	-	1,177,737
Total current assets	15,547,152	15,728,633	246,387	31,522,172
Noncurrent assets:				
Restricted assets	15,964,594	2,531,291	2,775,635	21,271,520
Derivative instrument – interest rate cap agreement	-	362	-	362
Long-term portion of loans and notes receivable	10,649,615	28,829,896	1,855,744	41,335,255
Capital assets:				
Assets not being depreciated	-	7,320,968	-	7,320,968
Assets being depreciated, net	3,523	59,024,297	-	59,027,820
Total noncurrent assets	26,617,732	97,706,814	4,631,379	128,955,925
Total assets	42,164,884	113,435,447	4,877,766	160,478,097
DEFERRED OUTFLOWS OF RESOURCES				
Accumulated decrease in fair value of hedging derivatives	-	386,638	-	386,638
Pension contributions and other	143,492	-	-	143,492
Total deferred outflows of resources	143,492	386,638	-	530,130
LIABILITIES				
Current liabilities:				
Accounts payable and other accrued liabilities	264,404	12,730	819	277,953
Accrued bond interest payable	-	52,944	-	52,944
Payable from restricted assets	-	14,058	-	14,058
Current portion of long-term debt	-	359,286	-	359,286
Total current liabilities	264,404	439,018	819	704,241
Noncurrent liabilities:				
Long-term debt	-	51,381,648	-	51,381,648
Unearned revenue	-	1,752,120	-	1,752,120
Net pension liability	812,507	-	-	812,507
Other accrued liabilities	41,871	-	-	41,871
Payable from restricted assets:				
Tax credit for contribution and other deposits	15,964,594	-	-	15,964,594
Total noncurrent liabilities	16,818,972	53,133,768	-	69,952,740
Total liabilities	17,083,376	53,572,786	819	70,656,981
DEFERRED INFLOWS OF RESOURCES				
Pension other	22,061	-	-	22,061
Total deferred inflows of resources	22,061	-	-	22,061
NET POSITION				
Net investment in capital assets	3,523	14,604,331	-	14,607,854
Restricted				
Restricted for debt service	-	1,875,000	-	1,875,000
Restricted for revolving loan funds	-	-	4,876,947	4,876,947
Restricted for new market tax credit program fees	-	642,233	-	642,233
Unrestricted	25,199,416	43,127,735	-	68,327,151
Total net position	$ 25,202,939	$ 60,249,299	$ 4,876,947	$ 90,329,185

The notes to the financial statements are an integral part of this statement.

Missouri Development Finance Board
Statement of Revenues, Expenses, and Changes in Net Position
All Proprietary Fund Types | *For the Year Ended June 30, 2017*

	Industrial Development and Reserve Fund	Parking Garage Fund	Revolving Loan Fund	Total Business-Type Activities
OPERATING REVENUES				
Parking garage revenues	$ -	$ 5,549,313	$ -	$ 5,549,313
Participation fees	982,969	-	-	982,969
Interest income on loans and notes receivable	484,040	325,456	55,228	864,724
Other income	2,427,701	41,365	6,505	2,475,571
Rental income	-	1,085,504	-	1,085,504
Administrative services revenue	-	30,000	-	30,000
Total operating revenues	3,894,710	7,031,638	61,733	10,988,081
OPERATING EXPENSES				
Depreciation and amortization	3,392	1,976,028	-	1,979,420
Parking garage operating expenses	-	2,536,426	-	2,536,426
Personnel services	833,768	-	-	833,768
Professional fees	208,684	271,269	870	480,823
Office expenses	146,110	7,997	86	154,193
Administrative services expenses	-	30,000	-	30,000
Travel	39,229	22	-	39,251
Miscellaneous	36,415	2,067	-	38,482
Bad debt expense	-	-	21,912	21,912
Total operating expenses	1,267,598	4,823,809	22,868	6,114,275
Operating income	2,627,112	2,207,829	38,865	4,873,806
NON-OPERATING REVENUE (EXPENSE)				
Interest on cash and investments	85,471	15,508	(2,113)	98,866
Bond interest expense	-	(680,073)	-	(680,073)
Bond expense	-	(290,753)	-	(290,753)
Contributions to others	(14,450)	-	-	(14,450)
Total non-operating revenue (expense)	71,021	(955,318)	(2,113)	(886,410)
Income before contributed capital from dissolution of component unit	2,698,133	1,252,511	36,752	3,987,396
CONTRIBUTED CAPITAL FROM DISSOLUTION OF COMPONENT UNIT	-	5,868,276	-	5,868,276
Change in net position	2,698,133	7,120,787	36,752	9,855,672
Net position – beginning	25,202,939	60,249,299	4,876,947	90,329,185
Net position – ending	$ 27,901,072	$ 67,370,086	$ 4,913,699	$ 100,184,857

The notes to the financial statements are an integral part of this statement.

Missouri Development Finance Board
Statement of Revenues, Expenses, and Changes in Net Position
All Proprietary Fund Types | *For the Year Ended June 30, 2016*

	Industrial Development and Reserve Fund	Parking Garage Fund	Revolving Loan Fund	Total Business-Type Activities
OPERATING REVENUES				
Parking garage revenues	$ -	$ 5,277,053	$ -	$ 5,277,053
Participation fees	2,229,007	-	-	2,229,007
Interest income on loans and notes receivable	156,707	344,709	60,583	561,999
Other income	240,164	51,108	5,380	296,652
Rental income	-	233,159	-	233,159
Administrative services revenue	-	30,000	-	30,000
Total operating revenues	2,625,878	5,936,029	65,963	8,627,870
OPERATING EXPENSES				
Depreciation and amortization	6,283	1,940,708	-	1,946,991
Parking garage operating expenses	-	1,585,903	-	1,585,903
Personnel services	700,913	-	-	700,913
DREAM expense	256,040	-	-	256,040
Professional fees	120,880	152,640	707	274,227
Office expenses	128,899	125	22	129,046
Administrative services agreement	-	30,000	-	30,000
Travel	36,242	119	-	36,361
Miscellaneous	55,242	72	6	55,320
Total operating expenses	1,304,499	3,709,567	735	5,014,801
Operating income	1,321,379	2,226,462	65,228	3,613,069
NON-OPERATING REVENUE (EXPENSE)				
Interest on cash and investments	92,712	(15,339)	6,230	83,603
Other non-operating income	-	600,000	-	600,000
Bond interest expense	-	(684,452)	-	(684,452)
Bond expense	-	(287,233)	-	(287,233)
Total non-operating revenue (expense)	92,712	(387,024)	6,230	(288,082)
Change in net position	1,414,091	1,839,438	71,458	3,324,987
Net position – beginning	23,788,848	58,409,861	4,805,489	87,004,198
Net position – ending	$ 25,202,939	$ 60,249,299	$ 4,876,947	$ 90,329,185

The notes to the financial statements are an integral part of this statement.

Missouri Development Finance Board
Statement of Cash Flows
All Proprietary Fund Types | *For the Year Ended June 30, 2017*

	Industrial Development and Reserve Fund	Parking Garage Fund	Revolving Loan Fund	Total Business-Type Activities
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	$ 1,016,137	$ 6,988,557	$ 58,141	$ 8,062,835
Receipts for tax credit projects	(185,814)	-	-	(185,814)
Payments to suppliers and lessors	(646,024)	(2,760,256)	(1,694)	(3,407,974)
Payments for personnel and benefits	(749,152)	-	-	(749,152)
Net cash provided (used) by operating activities	(564,853)	4,228,301	56,447	3,719,895
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Contributions to others (member contributions)	(14,450)	-	-	(14,450)
Net cash (used) by noncapital financing activities	(14,450)	-	-	(14,450)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Bond principal paid	-	(2,359,286)	-	(2,359,286)
Bond expense and interest paid	-	(1,008,478)	-	(1,008,478)
Acquisition of buildings and equipment	-	(2,966,451)	-	(2,966,451)
Net cash (used) by capital and related financing activities	-	(6,334,215)	-	(6,334,215)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of investments	(17,575,617)	-	(1,009,440)	(18,585,057)
Maturities of investments	17,229,819	1,616,757	1,007,690	19,854,266
Interest on cash and investments	62,773	16,507	(4,958)	74,322
Disbursement of loan proceeds	(15,293,301)	-	(112,545)	(15,405,846)
Receipt of loan payments	10,120,380	35,594	290,293	10,446,267
Net cash provided (used) by investing activities	(5,455,946)	1,668,858	171,040	(3,616,048)
Net increase (decrease) in cash and cash equivalents	(6,035,249)	(437,056)	227,487	(6,244,818)
Cash and cash equivalents – beginning	21,603,667	14,392,129	1,767,945	37,763,741
Cash and cash equivalents – ending	$ 15,568,418	$ 13,955,073	$ 1,995,432	$ 31,518,923
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income	$ 2,627,112	$ 2,207,829	$ 38,865	$ 4,873,806
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation and amortization expenses	3,392	1,976,028	-	1,979,420
Adjustment to allowance for bad debt	(2,427,501)	-	15,560	(2,411,941)
(Increase) decrease in accrued interest on loans and notes receivable	(98,285)	19,864	2,760	(75,661)
(Increase) decrease in prepaid expenses and other assets	(7,023)	62,399	-	55,376
(Increase) decrease in pension contributions and other	(243,076)	-	-	(243,076)
Increase (decrease) in accounts payable and accrued liabilities	(215,586)	25,126	(738)	(191,198)
Increase (decrease) in deferred revenue	-	(62,945)	-	(62,945)
Increase (decrease) in net pension liability	311,609	-	-	311,609
Increase (decrease) in tax credit for contribution deposits	(531,578)	-	-	(531,578)
Increase (decrease) in pension other	16,083	-	-	16,083
Total adjustments	(3,191,965)	2,020,472	17,582	(1,153,911)
Net cash provided (used) by operating activities	$ (564,853)	$ 4,228,301	$ 56,447	$ 3,719,895
Reconciliation of cash and cash equivalents to the statement of net position:				
Cash and cash equivalents	$ 10,083,438	$ 13,080,073	$ -	$ 23,163,511
Restricted assets	15,433,016	1,875,000	3,004,872	20,312,888
Less: investments with original maturity of greater than 90 days	(9,948,036)	(1,000,000)	(1,009,440)	(11,957,476)
Total cash and cash equivalents	$ 15,568,418	$ 13,955,073	$ 1,995,432	$ 31,518,923
NONCASH TRANSACTIONS				
Cancellation of debt per dissolution of component unit	$ -	$ 5,874,316	$ -	$5,874,316

The notes to the financial statements are an integral part of this statement.

Missouri Development Finance Board
Statement of Cash Flows
All Proprietary Fund Types | *For the Year Ended June 30, 2016*

	Industrial Development and Reserve Fund	Parking Garage Fund	Revolving Loan Fund	Total Business-Type Activities
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	$ 1,170,175	$ 5,920,987	$ 57,497	$ 7,148,659
Receipts for tax credit projects	1,864,234	-	-	1,864,234
Payments to suppliers and lessors	(506,771)	(1,779,109)	(841)	(2,286,721)
Payments for personnel and benefits	(703,040)	-	-	(703,040)
Net cash provided by operating activities	1,824,598	4,141,878	56,656	6,023,132
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Bond principal paid	-	(195,000)	-	(195,000)
Bond expense and interest paid	-	(968,827)	-	(968,827)
Acquisition of buildings and equipment	-	(328,688)	-	(328,688)
Receipt of other non-operating income	-	600,000	-	600,000
Net cash used by capital and related financing activities	-	(892,515)	-	(892,515)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of investments	(13,994,946)	(2,498,500)	-	(16,493,446)
Maturities of investments	13,499,975	3,062,120	-	16,562,095
Interest on cash and investments	99,354	4,437	6,230	110,021
Disbursement of loan proceeds	(1,000,000)	(38,506)	(219,369)	(1,257,875)
Receipt of loan payments	502,749	35,022	364,993	902,764
Net cash provided (used) by investing activities	(892,868)	564,573	151,854	(176,441)
Net increase in cash and cash equivalents	931,730	3,813,936	208,510	4,954,176
Cash and cash equivalents – beginning	20,671,937	10,578,193	1,559,435	32,809,565
Cash and cash equivalents – ending	$ 21,603,667	$ 14,392,129	$ 1,767,945	$ 37,763,741
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	$ 1,321,379	$ 2,226,462	$ 65,228	$ 3,613,069
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization expenses	6,283	1,940,708	-	1,946,991
Adjustment to allowance for bad debt	(240,164)	-	(4,630)	(244,794)
(Increase) decrease in accrued interest on loans and notes receivable	(10,056)	23	(3,836)	(13,869)
(Increase) decrease in interfund receivables	-	29,935	-	29,935
(Increase) decrease in prepaid expenses and other assets	5,371	(14,119)	-	(8,748)
(Increase) decrease in pension contributions and other	(58,021)	-	-	(58,021)
Increase (decrease) in accounts payable and accrued liabilities	90,532	3,869	(106)	94,295
Increase (decrease) in unearned revenue	-	(45,000)	-	(45,000)
Increase (decrease) in net pension liability	209,620	-	-	209,620
Increase (decrease) in tax credit for contribution deposits	653,380	-	-	653,380
Increase (decrease) in pension other	(153,726)	-	-	(153,726)
Total adjustments	503,219	1,915,416	(8,572)	2,410,063
Net cash provided by operating activities	$ 1,824,598	$ 4,141,878	$ 56,656	$ 6,023,132
Reconciliation of cash and cash equivalents to the statement of net position:				
Cash and cash equivalents	$ 15,234,144	$ 14,359,338	$ -	$ 29,593,482
Restricted assets	15,964,594	2,531,291	2,775,635	21,271,520
Less: investments with original maturity of greater than 90 days	(9,595,071)	(2,498,500)	(1,007,690)	(13,101,261)
Total cash and cash equivalents	$ 21,603,667	$ 14,392,129	$ 1,767,945	$ 37,763,741

The notes to the financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

NOTE 1

Financial Reporting Entity and Summary of Significant Accounting Policies

(a) Financial Reporting Entity

The Missouri Development Finance Board ("the Board" or "MDFB"), is governed by the Revised Statutes of Missouri (RSMo) Sections 100.250 to 100.297 and 100.700 to 100.850, as a body corporate and politic of the State of Missouri created within the Department of Economic Development. The Board is governed by a 12-member Board. The Governor of the State of Missouri (the State), with the advice and consent of the Senate, appoints eight of the Board members. The remaining four Board members are the Lieutenant Governor, Director of the Department of Economic Development, Director of the Department of Agriculture, and Director of the Department of Natural Resources.

The Board is empowered to issue bonds and notes, provide loans, loan guarantees and grants to political subdivisions to fund public infrastructure improvements, and to issue Missouri tax credits for approved projects. The Board also has other authorized powers under State statute, including the ability to acquire, own, improve, and use real and personal property such as parking garages and buildings.

The Board is a discretely presented component unit of the State of Missouri as defined by Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity*, as the Board does not meet the qualification for blending.

The Board has two active component units as defined by GASB Statement No. 61, *The Financial Reporting Entity*:

The St. Louis Convention Center Hotel Community Improvement District/Transportation Development District (SLCCH CID/TDD) is an active blended component unit. In November 2009, the Board approved a resolution to participate in the CID and TDD. The CID and TDD each levy a 1 percent sales tax. The additional sales tax is payable and held by the Board for the benefit of 800 Washington LLC and Lennox Suites, LLC, who utilizes the funds to help pay their license obligation to MDFB for spaces in the St. Louis Convention Center Hotel Garage. These payments assist MDFB's parking garage operations and maintenance. Effective June 25, 2014 and July 17, 2014, respectively, MDFB staff became board members of the CID and TDD. As of these dates, MDFB staff is responsible for monitoring district collections and paying district expenses, as well as collecting and transferring certain funds to the City of St. Louis. The SLCCH CID/TDD maintains only one fund, a governmental fund, and does not issue separately prepared financial statements.

The Seventh Street Garage Public Parking Corporation (SSGPPC) is an active blended component unit within the Parking Garage Fund. MDFB is the sole member of SSGPPC, acting through a Board of Directors. Three Board members of the Missouri Development Finance Board serve as members for SSGPPC. The Board receives excess cash from SSGPPC, thus having a financial benefit, and has operational responsibility for SSGPPC. SSGPPC is a 501(c)(3) not-for-profit organization established for the primary purpose of serving as a qualified active low-income community business (QALICB) located in a low-income census tract in connection with the New Markets Tax Credit Program as defined in Section 45D of the Internal Revenue Code of 1986 as amended. The SSGPPC renovated a portion of the St. Louis Centre into a 750-space parking garage, which it operates. The SSGPPC maintains only one fund, an enterprise fund, and does not issue separately prepared financial statements. On June 30, 2017 the Board acquired the assets and operations of SSGPPC and subsequently dissolved the component unit.

For purposes of these financial statements, all references to MDFB or the Board represent the primary government and its component units.

(b) Basis of Presentation

The government-wide financial statements (i.e., the *Statements of Net Position* and the *Statements of Activities*) report information on all of the activities of the Board. The effect of interfund activities has been removed from these statements. Governmental activities, which are normally supported by taxes, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external parties.

The *Statements of Activities* demonstrate the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate fund financial statements are provided for governmental funds and proprietary funds. The Board uses funds to report its financial position and results of its operations in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by separating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into two categories: governmental and proprietary.

The Board reports the following governmental fund:

- St. Louis Convention Center Hotel Community Improvement District/Transportation Development District Fund — The St. Louis Convention Center Hotel Community Improvement District/Transportation Development District Fund (SLCCH CID/TDD) was established in 2015 by the Board for financial reporting purposes to account for the operations of the CID and TDD and is the Board's blended component unit.

Pursuant to RSMo Sections 100.260 and 100.263, the Board has five statutory proprietary funds. However, for financial reporting purposes, the Board has chosen to report the following proprietary funds:

- Industrial Development and Reserve Fund — The Industrial Development and Reserve Fund (IDRF) is both a statutory fund and a fund for financial reporting purposes. At inception, the Board was funded by appropriations from the State General Revenue Fund; however, currently the Board's primary source of funds is from other sources as specified by its statutes. Funds may be used to make eligible direct loans or may be pledged as loan, note, or bond guarantees. RSMo Sections 33.080 and 100.260 provide that if funds are appropriated by the General Assembly for this fund, they shall not lapse and the balance shall not be transferred to the State General Revenue Fund. This fund includes activity related to the Old Post Office (OPO) project and the DREAM Initiative.

- Parking Garage Fund — The Parking Garage Fund (PGF) was established in 2003 by the Board for financial reporting purposes to account for the construction and ongoing operations of its parking garages. This fund derives its statutory authority from the Infrastructure Development Fund (IDF) as defined in RSMo Section 100.263. The IDF was established to make low-interest or interest-free loans, loan guarantees, or grants to local political subdivisions and to State agencies. The fund may receive funds from the federal government for infrastructure development purposes, but other public or private funds may be received by the Board for deposit in the funds. The Board garages qualify as public infrastructure. The garages are as follows: the St. Louis Convention Center Hotel Garage (SLCCHG), the Ninth Street Garage (NSG) supporting the OPO redevelopment project in St. Louis, and the Seventh Street Garage (SSG) in St. Louis. This fund is used to account for the Board's obligations and interests in the SSG. This fund also includes the Seventh Street Garage Public Parking Corporation (SSGPPC), a 501(c)(3) not-for-profit organization which accounted for operations of the Seventh Street Garage prior to June 30, 2017 and was the Board's blended component unit until its dissolution on June 30, 2017.

- Revolving Loan Fund — The Revolving Loan Fund (RLF) is a financial reporting fund that includes the Missouri Infrastructure Development Loan (MIDOC) and the Small Business Loan Program activities. The statutory authority for the MIDOC Program is granted through the Infrastructure Development Fund (IDF), while the

statutory authority for the Small Business Loan Program is derived from the Industrial Development and Reserve Fund (IDRF). Due to the similar nature of the two activities, they are combined for financial reporting purposes. The MIDOC Program was established in 1988 by RSMo Section 100.263, as amended, and was originally capitalized by appropriations from the State General Fund and from various other sources as allowed by the statute. MIDOC funds may be used to make low-interest loans to local political subdivisions. In 2009, the Board transferred $2 million into the RLF to establish the Small Business Loan Program. The funds for the Small Business Loan Program are maintained separately from the MIDOC funds established by appropriations. Small Business Loan funds may be used to make low-interest loans to small businesses located within the State of Missouri.

(c) Method of Accounting

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Board considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Sales tax associated with the current fiscal year is considered to be susceptible to accrual and so has been recognized as revenues in the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the government.

Proprietary funds distinguish operating revenues and expense from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's ongoing operations. Operating expenses include the costs of services, administrative expenses, and depreciation on capital assets. Revenues and expenses not meeting these definitions are generally reported as non-operating revenues and expenses. Also see Notes 1(m) and 1(n).

Application and issuance fees are recognized as participation fees on the *Statements of Revenues*, *Expenses*, and *Changes in Net Position*. The Board recognizes revenue from application fees when received since the fees are due upon application submission and are nonrefundable. The Board recognizes revenue on issuance fees at the time of the issuance of the related bonds since, until actual issuance, the amount or the certainty of receiving the issuance fee is not determinable. Expenses related to bond issuance are recognized when incurred, as there is no reasonable method of allocating the expenses to issuance fees because of the previously mentioned uncertainties.

Contributions received for tax credits on behalf of other entities are treated as conduit transactions, with the amount of unspent contributions recorded as a liability. Contributions received for tax credits on behalf of the Board's projects are recorded as contributed revenue when all applicable eligibility requirements have been met, which is determined on a project-by-project basis.

(d) Cash and Cash Equivalents

Cash and cash equivalents within the *Statements of Cash Flows* include cash, certificates of deposit, and short-term investments with original maturities of 90 days or less.

(e) Investments

The Board has the power to invest in obligations of the United States or its agencies, insured or secured certificates of deposits, secured repurchase agreements, and state or political subdivisions obligations with the two highest credit rating categories. Investments are adjusted to fair value at fiscal yearend.

(f) Loans and Allowance for Loan Loss

Loans are stated at the amount of unpaid principal, adjusted by an allowance for loan losses. The Board's loans are made to not-for-profit entities, small businesses, and political subdivisions. In many cases, the repayment terms and collateral, if any, are much less stringent than typical financial institution loans due to the nature of the Board's mission. The allowance for loan losses is established through a provision for loan losses charged to expense. Loans are charged against the allowance for loan losses when management believes that the collectability of the principal is unlikely. Recoveries on loans previously written off against the allowance are reported as other income.

The allowance is an amount that management believes will be adequate to absorb possible losses on existing loans that may become uncollectible, based on evaluation of the collectability of loans, prior loan loss experience or when the net present value of estimated future cash flows on the loan or fair value of collateral is less than the recorded value of the loan (computed on a loan-by-loan basis).

(g) Capital Assets

Capital assets, which consist of land, building, equipment, vehicle, and software, are stated at cost. Contributions of capital assets are recorded at acquisition value at the time received. Capital assets are defined by the Board as assets with an individual cost of more than $500 and an estimated useful life in excess of one year. Depreciation has been provided over the estimated useful lives using the straight-line method.

Estimated useful lives are as follows:

Buildings/Leasehold Asset	40 years
Leasehold Improvements	10 years
Software	7 years
Equipment	3–5 years
Vehicle	3 years

It is the Board's policy to capitalize interest on debt incurred to finance the construction of capital assets, when material. The Board had no capital construction projects in progress for the fiscal years ended June 30, 2017 or 2016 and, therefore, there is no capitalized interest recorded.

(h) Compensated Absences

Under the terms of the Board's personnel policy, Board employees are granted vacation, sick, and compensatory leave in varying amounts. In the event of termination, an employee is paid for accumulated vacation and compensatory hours. Employees are not paid for accumulated sick leave upon termination. The amounts of accrued vacation and compensatory hours are included as current and non-current liabilities in the accompanying combined financial statements. The costs of sick leave are not accrued.

(i) Unearned Revenue

Unearned revenue is revenue that has not yet been earned, including rent received in advance.

(j) Long-Term Debt

Long-term debt and other long-term obligations are reported as liabilities in the *Statements of Net Position*. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of any applicable bond premium or discount. Bond issuance costs are expensed at closing.

(k) Deferred Outflows and Inflows of Resources

In addition to assets, the *Statements of Net Position* will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources until then. The Board

has two items that qualify for reporting in this category, an interest rate cap agreement in connection with the $9 million debt borrowed from Pulaski Bank (see Note 3), and pension contributions and other in connection with the defined benefit pension plan (see Note 18).

In addition to liabilities, the *Statements of Net Position* will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an addition to net position that applies to a future period(s) and so will not be recognized as an inflow of resources until then. The Board has one item that qualifies for reporting in this category, pension other, in connection with the defined benefit pension plan (see Note 18).

(l) Equity

In the governmental fund financial statements, equity is displayed in five components as follows:

Nonspendable — This consists of amounts that are not in a spendable form or are legally or contractually required to be maintained intact.

Restricted — This consists of amounts that are constrained to specific purposes by their providers, through constitutional or contractual provisions or by enabling legislation.

Committed — This consists of amounts that can be used only for the specific purposes determined by a formal action (a resolution) of the government's highest level of decision-making authority (the Board of Directors) by the end of the fiscal year.

Assigned — This consists of amounts that are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. The Executive Director is authorized to assign amounts for specific purposes; however, an additional formal action does not have to be taken for the removal of the assignment.

Unassigned — This consists of amounts that are available for any purpose and can only be reported in a General Fund, which the Board does not have.

In the government-wide and proprietary fund financial statements, equity is displayed in three components as follows:

Net investment in capital assets — This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Restricted — This consists of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation

Unrestricted — This consists of net position that does not meet the definition of "net investment in capital assets" or "restricted".

For the year ended June 30, 2016, the net position of SSGPPC had a deficit balance of $(1,630,378). This is partially due to rental income being deferred in the fund statement and was eliminated during the year ended June 30, 2017, due to the unwinding of the New Markets Tax Credit (NMTC) program and the dissolution of SSGPPC.

(m) Proprietary Funds – Classification of Operating, Non-operating, and Contributed Revenue

The Board has classified its revenues from business-type activities as operating, non-operating, or contributed revenues according to the following criteria:

Operating revenues — Include revenue sources related to the basic purpose of the Board and include interest income on loans, fees, and charges for services.

Non-operating revenues — Include revenue sources unrelated to the basic purpose of the Board and include interest income on deposits and investments.

Contributed revenues — Include investments made in the Board that increase overall net position due to involvement in a specific project and revenue related to the Tax Credit for Contribution Program authorized under State statute received for Board-owned projects.

(n) Proprietary Funds – Classification of Operating and Non-operating Expenses

The Board has classified its expenses for business-type activities as operating and non-operating according to the following criteria:

Operating expenses — Include expenses related to the basic purpose of the Board and include administrative expenses, costs associated with carrying out Board programs, depreciation, and bad debt expenses.

Non-operating expenses — Include expenses related and unrelated to the basic purpose of the Board and may include expenses related to the basic purpose of the Board when such expenses are financial in nature such as bond and interest expenses.

(o) Participation Fees

The Board receives participation fees on certain direct loans, loan guarantees, bonds and tax credit contributions. Direct infrastructure loans are made to local governmental entities for public infrastructure needs.

Bond application fees are 0.1 percent of the amount of issuance limited to a minimum of $500 and a maximum of $2,500.

The issuance fee for private activity bonds is 0.3 percent and for public activity bonds is 0.25 percent. Total fees on both types of issuances are not to exceed $75,000 for a single issue or multiple series under a single issue. For State agency bonds, the issuance fee is on a scale ranging from 0.1 percent to 0.2 percent, not to exceed $75,000 for a single issue or multiple series under a single issue.

Bond issuances fees for refunding bonds previously issued by the Board are 0.2 percent for private activity bonds; on a scale ranging from 0.066 percent to 0.165 percent for public activity bonds; and on a scale ranging from 0.066 percent to 0.133 percent for State agency bonds. Total fees on all types of refunding issuances are not to exceed $50,000 for a single issue or multiple series under a single issue.

BUILD Missouri (Business Use Incentives for Large-Scale Development) application fees are $1,000 and are non-refundable. The issuance fee assessed is 2.5 percent of the bond principal with an annual fee of 0.5 percent of the principal portion outstanding at each anniversary date. The fee to cover legal counsel costs is 0.6 percent of bond principal with a minimum of $10,000, plus out-of-pocket expenses. Trustee fees including an acceptance fee of $850 and an annual administrative fee of $850 also is assessed.

Participation fees for the Tax Credit for Contribution Program are 4 percent of all contributions.

(p) Issuance of Conduit Bonds

All of the bonds issued by the Board, with the exception of the long-term debt issued for the St. Louis Convention Center Hotel Garage (SLCCHG), the Ninth Street Garage (NSG) and the Seventh Street Garage (SSG) (see Note 10), are conduit obligations. Conduit obligations are special, limited obligations of the Board and the assets of the Board are not pledged to secure such bonds. The borrower pays all debt service requirements. The bonds do not constitute an obligation of the Board or the State. See Note 15(b) to the financial statements for further information.

(q) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenditure/expense during the reporting period. Estimates are used for, but not limited to, allowances for uncollectible loans receivable, asset impairment, fair value of certain assets, depreciable lives of capital assets, net pension liability, and commitments and contingencies. The Board is subject to uncertainties such as the impact of future events, economic, environmental and political factors, and changes in the business climate; therefore, actual results may differ from those estimates.

Accordingly, the accounting estimates used in the preparation of the Board's financial statements will change as new events occur, as more experience is acquired, as additional information is obtained, and as the Board's operating environment changes. Changes in estimates are made when circumstances warrant. Such changes and refinements in estimation methodologies are reflected in reported results of operations; if material, the effects of changes in estimates are disclosed in the notes to the financial statements. Accordingly, actual results may differ from those estimates.

(r) Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Missouri State Employees' Retirement System (MOSERS) and additions to/deductions from MOSERS' fiduciary net position have been determined on the same basis as they are reported by MOSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 2

Deposits and Investments

The Board originally adopted a policy on investments in 2007 and further revised the policy during fiscal year 2013. Pursuant to the policy, the Board is authorized to invest funds not required for immediate disbursement in obligations of the United States, or any agency or instrumentality of the United States, in obligations of the State of Missouri and its political subdivisions, in certificates of deposit and time deposits or other obligations of banks and savings and loan associations, or in such other obligations that may be prescribed by the Board. A specific list of acceptable investments and terms of investing are detailed within the Board's investment policy.

As of June 30, 2017 and 2016, the Board had the following investments:

Investment type	2017	2016
Money market funds	$ 1,291,166	$ 1,620,008
U.S. Government agency discount notes	14,965,943	18,069,504
Overnight repurchase agreements	20,094,336	22,656,334
Total fair value	$ 36,351,445	$ 42,345,846

Interest Rate Risk — In accordance with its investment policy, the Board manages its exposure to declines in fair values by only investing in obligations that return initial purchase prices and the earned interest. This practice reduces exposure to significant declines in fair values.

Credit Risk — The Board's policy is to only invest in obligations of the United States or its agencies, insured or secured certificates of deposit, secured repurchase agreements, and state or political subdivision obligations with the two highest credit ratings issued by nationally recognized statistical rating organizations (NRSROs). Policy prohibits the purchase of any investments that do not meet the above mentioned criteria. As of June 30, 2017 and 2016, all of the Board's investments were rated AA+ by Standard & Poor's and Aaa by Moody's Investors Service. The Board does not hold corporate bonds and does not participate in investment pools.

Concentration of Credit Risk — Due to the unusually conservative nature of the Board's investment policy, the Board is not at risk due to concentration.

Custodial Credit Risk – Investments — For an investment, this is the risk that in the event of the failure of the counterparty, the Board will not be able to recover the value of its investments. As of June 30, 2017 and 2016, there was no custodial credit risk for the Board's investments due to the Board's investment policy which prohibits obligations not fully secured.

Custodial Credit Risk – Deposits — In the case of deposits, this is the risk that in the event of a bank failure, the Board's deposits may not be returned to it. As of June 30, 2017 and 2016, the Board's deposits were fully covered by FDIC insurance and government-backed securities.

As required by Missouri law, the depository banks pledge securities, in addition to the Federal Depository Insurance Corporation insurance, to equal or exceed the amount on deposit at all times. As of June 30, 2017 and 2016, securities with a total fair value of $17,664,927 and $17,619,758, respectively, were held in a joint custody account with the Federal Reserve Bank.

As of June 30, 2017 and 2016, the Board's cash deposits were collateralized as follows:

Bank Balance	2017	2016
Insured by the FDIC	$ 648,213	$ 1,120,788
Collateralized with securities pledged by the financial institutions	6,523,278	7,404,950
Total cash deposits	$ 7,171,491	$ 8,525,738
Carrying value	$ 7,124,954	$ 8,519,156

The Board's total cash and investments as of June 30, 2017 and 2016 were as follows:

	2017	2016
Investments from above	$ 36,351,445	$ 42,345,846
Cash deposits from above	7,124,954	8,519,156
Total cash and investments	$ 43,476,399	$ 50,865,002
As reflected on the statement of net position:		
Cash, cash equivalents, and investments	$ 23,163,511	$ 29,593,482
Restricted assets	20,312,888	21,271,520
Total cash and investments	$ 43,476,399	$ 50,865,002

NOTE 3

DERIVATIVE INSTRUMENT – INTEREST RATE CAP AGREEMENT

A portion of other assets and deferred outflows of resources are composed of the following as of June 30:

	2017	2016
Interest rate cap agreement	$ 387,000	$ 387,000
Adjustment to fair value	(386,739)	386,638)
Total fair value	$ 261	$ 362

Interest Rate Cap Agreement

In connection with the $9 million debt borrowed from Pulaski Bank (see Note 10), MDFB entered into an interest rate cap agreement with Morgan Stanley Capital Services, LLC, (credit rating of A) to cover a portion of the period (2015-2020) when the debt carries a variable interest rate. The agreement is intended to provide a cash flow hedge for the variable interest rate of the obligation. This agreement's notional amount is based on the amortized loan balance (starting at $8.4 million) with a cap rate of 5.264 percent and a floating rate of monthly LIBOR. The cost of the interest rate cap agreement was $387,000, and the estimated fair value at June 30, 2017 and 2016 was $261 and $362, respectively. The fair value of the interest rate cap was estimated using a proprietary pricing service. MDFB has determined the hedge meets the criteria for effectiveness and has recorded the accumulated adjustment to fair value as a deferred outflow of resources.

<u>Risks:</u>

<u>Credit Risk</u> — MDFB is exposed to credit risk on hedging derivative instruments that are in asset positions. MDFB currently does not have a policy regarding credit risk.

<u>Interest Rate Risk</u> — MDFB is not exposed to interest rate risk on its interest rate cap agreement.

<u>Basis Risk</u> — MDFB is not exposed to basis risk on its interest rate cap hedging derivative instruments because the same variable-rate is used for both debt payments paid by MDFB and the interest rate cap agreement.

<u>Termination Risk</u> — MDFB or its counterparties may terminate a derivative instrument if the other party fails to perform under the terms of the contract.

<u>Rollover Risk</u> — MDFB is exposed to rollover risk on hedging derivative instruments that are hedges of debt that mature or may be terminated prior to the maturity of the hedged debt. When these hedging derivative instruments terminate, or in the case of a termination option, if the counterparty exercises its option, the Board will be re-exposed to the risks being hedged by the hedging derivative instrument.

NOTE 4

INTERFUND ACTIVITY

(a) Due To/From Other Funds

As of June 30, 2017 and 2016, $190,100 and $147,170, respectively, was due from the SLCCH CID/TDD Fund to the Parking Garage Fund (PGF) for sales tax held by the SLCCH CID/TDD Fund for the benefit of the PGF.

(b) Interfund Transfers

During the years ended June 30, 2017 and 2016, there were no interfund transfers.

NOTE 5

LOANS, NOTES RECEIVABLE AND ALLOWANCE FOR LOAN LOSSES

Direct loans through the Industrial Development and Reserve Fund (IDRF) represent loans to individual companies and political subdivisions in Missouri and are generally secured. Direct loans through the Revolving Loan Fund (RLF) represent low interest loans made to local political subdivisions which are generally unsecured and to small businesses which are also secured by personal guarantees and personal property of the borrower evidenced by a filing under the Uniform Commercial Code. Loans from the Parking Garage Fund (PGF) represent loans that relate to parking garage projects and are generally secured.

During fiscal year 2010, the Board loaned the St. Louis Centre Garage Investment Fund, LLC (SLCGIF) $24 million to assist with the Seventh Street Garage project (see Note 7). The note matures January 31, 2041, is due in monthly payments of $22,125 (principal and interest), and bears interest at 1 percent. The Seventh Street Garage Public Parking Corporation (SSGPPC) repays certain loans payable to three Community Development Entities (CDEs) from the parking garage revenues; the CDEs are to pay a monthly income distribution consisting of interest income received from SSGPPC to the SLCGIF; and the SLCGIF repays its note to MDFB. During fiscal year 2017, SSGPPC unwound their NMTC structure, resulting in the Board becoming the owners of SLCGIF. Upon transfer of ownership, the debt owed between the three entities was cancelled.

In February 2010, the Board loaned the Land Clearance for Redevelopment Authority of the City of St. Louis (LCRA) $5 million to assist with the redevelopment of One City Centre that is related to the Seventh Street Garage project. The loan is secured by the full-faith and credit obligation of the LCRA and assignment of LCRA's interest in One City Centre. Interest is adjusted annually each December 1 to a variable rate equal to the Applicable Interest Rate on each Adjustment Date. For Adjustment Dates occurring on and subsequent to December 1, 2016, the interest rate is equal to the Current Index, which is the weekly average yield on U.S. Treasury securities adjusted to a constant maturity of one year as made available by the Federal Reserve Board, plus 2 percent. For the years ended June 30, 2017 and 2016, the stated interest rate was 2.67 percent and 2.1 percent, respectively. Final maturity is December 1, 2019.

In December 2015, the Board approved a line of credit to the St. Louis Regional Convention and Sports Complex Authority (STL RSA) for up to $3 million with a final draw date of December 31, 2016 in an effort to maintain an NFL team in St. Louis. During the fiscal years ended June 30, 2017 and 2016, draws totaling $500,000 and $1 million, respectively, were taken on this line of credit. Total principal balances as of the fiscal years June 30, 2017 and 2016 were $1.5 million and $1 million, respectively. The note carries interest of 4 percent annually, with a final maturity date of January 14, 2021.

In October 2016, the Board approved a line of credit to the LCRA for the acquisition of land and to fund environmental remediation work on the site selected by the National Geospatial-Intelligence Agency for their new western headquarters facility. Maturity of the line of credit was tied to the issuance of the LCRA Series 2016 NGA Bonds. During fiscal year 2017, draws totaling $9.7 million were taken. The note carried interest of 3.5 percent annually, and matured on January 10, 2017.

At June 30, 2017 and 2016, the allowance for loan losses was $2,497,430 and $4,909,372, respectively. Allowance for loan losses is evaluated on a per loan basis. During the years ended June 30, 2017 and 2016, the allowance for loan losses was reduced in the Industrial Development and Reserve Fund by $2,427,502 and $240,064, respectively, due to the collection of installments on the American Fish and Wildlife Museum and reevaluation of the Old Post Office loans. The allowance for loan losses changed in the Revolving Loan Fund by $15,560 and $(4,452), respectively, due to the addition of two uncollectible accounts and the collection of installments on various MIDOC and Small Business Loan program loans previously fully reserved. The principal amount of the loan payments received from defaulted loans is recorded in

other income.

No allowance has been established in connection with the Parking Garage Fund loans due to the nature of the loans.

Loans and notes receivable at June 30, 2017 and 2016 were as follows:

	2017			2016		
Fund	**Current**	**Long-term**	**Allowance**	**Current**	**Long-term**	**Allowance**
Industrial Development and Reserve	$ -	$ 20,883,886	$ 2,254,683	$ 262,700	$ 15,331,800	$ 4,682,185
Parking Garage	15,552	5,000,000	-	46,625	28,829,896	-
Revolving Loan	225,091	1,909,201	242,747	229,108	2,082,931	227,187
Total	240,643	27,793,087	$ 2,497,430	538,433	46,244,627	$ 4,909,372
Less: allowance for loan losses	-	2,497,430		-	4,909,372	
Total loans and notes receivable, net	$ 240,643	$ 25,295,657		$ 538,433	$ 41,335,255	

NOTE 6
Restricted Assets

Contributions received for tax credits on behalf of other entities are treated as conduit transactions, with the amount of held contributions recorded as restricted assets with a corresponding liability (see Note 9).

In December 2000, the Board issued debt in the amount of $21.1 million to finance the construction of the St. Louis Convention Center Hotel Garage (SLCCHG) project. Per the Letter of Credit, the Board was required to establish an Operating Reserve and to deposit all net operating profits. Amounts held in the Operating Reserve may be utilized for ongoing operating expenses and debt service on the SLCCHG. Any amount deposited over $1,375,000 may be disbursed without bank consent (also see Note 10 for additional covenants). As of June 30, 2017 and 2016, the balance held in the operating reserve was $3,974,226 and $3,426,924, respectively.

In April 2010, the Board issued debt in the amount of $9 million to assist with the financing of the Seventh Street Garage project. Per the Bond Trust Indenture, the Board was required to hold $4.5 million in a debt service reserve fund at UMB, the trustee bank. In addition, per the Indenture, so long as the bonds are outstanding, MDFB was required to maintain unencumbered and unrestricted net assets in the form of cash and marketable securities in an amount, including any permitted investments in the debt service reserve fund, of not less than $17.5 million. On June 28, 2012, the Board pledged the Ninth Street Garage and its revenues to Pulaski Bank. In exchange, Pulaski agreed to release the requirement that the Board hold $17.5 million in unrestricted cash balances and instead required the Board maintain an operating reserve of $500,000. Also see Note 10 for details.

In April 2010, the SSGPPC executed notes payable totaling $29,840,934 to the three CDEs to fund the construction of the Seventh Street Garage project (see Note 10). The reserve fund accounts were established to cover management and accounting fees associated with the New Markets Tax Credit Program compliance.

As of June 30, 2017 and 2016, the Board had $1,875,000 and $2,531,291, respectively, in total assets restricted in the Parking Garage Fund (PGF) to satisfy the above requirements (see the following table).

The Revolving Loan Fund consists of activities for the MIDOC and Small Business Loan programs. Cash in this fund is restricted for these programs.

Restricted assets consist of the following as of June 30:

		2017		2016
Tax credit for contribution deposits (Note 9)	$	15,433,016	$	15,964,594
Total restricted assets – Industrial Development and Reserve Fund		15,433,016		15,964,594
St. Louis Convention Center Hotel Garage reserve deposits		1,375,000		1,375,000
Additional Seventh Street Garage bond reserve deposits		500,000		500,000
SSGPPC NMTC reserve and required funds		-		656,291
Total restricted assets – Parking Garage Fund		1,875,000		2,531,291
MIDOC funds		1,712,927		1,615,980
Small Business Loan funds		1,291,945		1,159,655
Total restricted assets – Revolving Loan Fund		3,004,872		2,775,635
Total restricted assets	$	20,312,888	$	21,271,520

NOTE 7

Capital Assets

During 2000, the Board used a $6 million contribution from a taxpayer and $21.1 million in bond proceeds to purchase land and begin construction of the St. Louis Convention Center Hotel Garage (SLCCHG) adjacent to the St. Louis Convention Center Hotel. The SLCCHG began operations in August 2002.

In April 2003, the Board used a $10 million contribution from a taxpayer and began participating in two related redevelopment projects in downtown St. Louis, Missouri. During 2004 and 2005, $18.8 million in additional funds were raised to fund the remainder of the projects. The first project, commonly referred to as the "Old Post Office Project" or the "OPO Project," consisted of the acquisition and renovation of the U.S. Custom House and Old Post Office, a historic structure in downtown St. Louis. The second project consisted of the acquisition and demolition of the Century Building and the construction of a parking garage located to the west of the OPO Project. This project is known as the "Ninth Street Garage Project" or the "NSG Project." The OPO and NSG Projects are separate and distinct projects for purposes of financial reporting, but integrally linked for development and operational purposes.

The Board acquired title to the OPO Project on October 13, 2004, from the U.S. General Services Administration at no cost to the Board. The Board then executed a 99-year lease of the OPO Project with St. Louis' U.S. Custom House & Post Office Building Associates, L.P., a Missouri limited partnership (OPO Master Lessee). In connection with the financial closing of the OPO Project on October 14, 2004, the Board made a subordinated loan to the OPO Master Lessee in the amount of $12.75 million to assist in the financing of the OPO Project with the option to purchase the OPO leasehold interest from the OPO Master Lessee for a two-year period beginning December 31, 2014, at the greater of the fair market value or the development debt outstanding. The Board did not pursue the purchase option, instead opting to refinance the OPO loan at current market rates and refinancing the first mortgage held at Busey Bank totaling $5,169,000. Within the refinancing agreements, the purchase option was extended to 2032. The balance of the outstanding principal for the years ended June 30, 2017 and 2016 was $17,129,203 and $12,092,551, respectively. Renovation of the OPO Project was completed in late 2006.

The NSG Project is owned by the Board and consists of the development and construction of a 1,050-space parking garage located on the west side of Ninth Street directly across from the OPO Project. The land was purchased in April 2003. The Board has entered into long-term parking leases with tenants of the OPO Project and with surrounding businesses and building owners. The NSG Project was completed in 2007.

In April 2010, the Board acquired title to 601 Locust, now known as Seventh Street Garage, via an assignment of purchase and sale agreement with the LCRA. Total consideration for the exchange was approximately $14.2 million. The Board executed two long-term capital leases: a "retail" lease and a "garage" lease (see Note 14).

The lessee of the garage space is the Seventh Street Garage Public Parking Corporation (SSGPPC), the blended component unit. The Seventh Street Garage commenced operations in fiscal year 2011.

SSGPPC's garage project qualifies for the Federal New Markets Tax Credit Program, which facilitated financing for the project. The garage project is part of a larger redevelopment project affecting adjoining office buildings in St. Louis. For the garage project, MDFB provided indirect funding in the form of a $24 million loan to St. Louis Centre Garage Investment Fund, LLC, an entity 100% owned by U.S. Bank Community Development Corporation (USBCDC). The proceeds of the MDFB loan were combined with New Markets Tax Credit-qualified equity investments and provided as an equity investment to each of three non-related community development entities: National Development Council (NDC), Urban Development Fund (UDF), and St. Louis Development Corporation (SLDC). Total proceeds of $29,840,934 (see Note 10) were subsequently loaned to SSGPPC to provide direct financing for the garage project. In addition, SSGPPC received an upfront parking lease payment of $1 million from U.S. Bank, which is recorded as unearned revenue and being amortized over the lease term and also used to fund the project. The garage project is backed by an Indemnity Agreement with the LCRA. The New Markets Tax Credit Program required that the financing structure stay in place for seven years, which ended during fiscal year 2017. At the end of the seven-year period, the Board had the option to purchase USBCDC's interest in the St. Louis Centre Garage Investment Fund, LLC, and subsequently unwind the structure of the funding arrangement. The Board exercised this option in May 2017. At the completion of the purchase and unwind, the Board now owns the Investment Fund and the loans to SSGPPC. As SSGPPC was no longer a necessary venture, it was dissolved and consolidated with the Board's Seventh Street Garage (SSG) Project on June 30, 2017. The Investment Fund also was dissolved. As a result of the forgiveness of the notes payable owed by SSGPPC, offset by the notes received owed by MDFB, MDFB recorded a capital contribution from dissolution of SSGPPC, a component unit, of $5,868,276.

Capital asset activity for the year ended June 30, 2017, was as follows:

	Balance June 30, 2016	Additions	Deletions/ Retirements/ Transfers	Balance June 30, 2017
Capital assets, not being depreciated:				
Land	$ 7,219,739	$ -	$ -	$ 7,219,739
Construction in progress	101,229	102,401		203,630
Total capital assets not being depreciated	7,320,968	102,401	-	7,423,369
Capital assets, being depreciated:				
Building	75,670,895	-	2,727,442	78,398,337
Equipment	388,524	29,994	-	418,518
Leasehold improvements	184,672	2,727,442	(2,727,442)	184,672
Vehicle	19,172	-	-	19,172
Software	23,466	-	-	23,466
Total capital assets being depreciated	76,286,729	2,757,436	-	79,044,165
Less: accumulated depreciation for:				
Building	16,870,311	1,916,681	-	18,786,992
Equipment	279,785	34,902	-	314,687
Leasehold improvements	69,056	25,693	-	94,749
Vehicle	19,172	-	-	19,172
Software	20,585	2,144	-	22,729
Total accumulated depreciation	17,258,909	1,979,420	-	19,238,329
Total capital assets being depreciated, net	59,027,820	778,016	-	59,805,836
Total capital assets, net	$ 66,348,788	$ 880,417	$ -	$ 67,229,205

A summary of capital assets by fund at June 30, 2017, was as follows:

	Industrial Development and Reserve Fund	Parking Garage Fund	Total
Land	$ -	$ 7,219,739	$ 7,219,739
Construction in progress	-	203,630	203,630
Building	-	78,398,337	78,398,337
Equipment	100,198	318,320	418,518
Leasehold improvements	56,210	128,462	184,672
Vehicle	19,172	-	19,172
Software	14,626	8,840	23,466
Subtotal	190,206	86,277,328	86,467,534
Less: accumulated depreciation	(190,076)	(19,048,253)	(19,238,329)
Total capital assets, net	$ 130	$ 67,229,075	$ 67,229,205

Capital asset activity for the year ended June 30, 2016, was as follows:

	Balance June 30, 2015	Additions	Deletions/ Retirements	Balance June 30, 2016
Capital assets, not being depreciated:				
Land	$ 7,219,739	$ -	$ -	$ 7,219,739
Construction in progress	-	101,229		101,229
Total capital assets not being depreciated	7,219,739	101,229	-	7,320,968
Capital assets, being depreciated:				
Building	75,630,938	39,957	-	75,670,895
Equipment	329,483	59,041	-	388,524
Leasehold improvements	56,211	128,461	-	184,672
Vehicle	19,172	-	-	19,172
Software	23,466	-	-	23,466
Total capital assets being depreciated	76,059,270	227,459	-	76,286,729
Less: accumulated depreciation for:				
Building	14,974,059	1,896,252	-	16,870,311
Equipment	245,244	34,541	-	279,785
Leasehold improvements	56,210	12,846	-	69,056
Vehicle	19,172	-	-	19,172
Software	17,233	3,352	-	20,585
Total accumulated depreciation	15,311,918	1,946,991	-	17,258,909
Total capital assets being depreciated, net	60,747,352	(1,719,532)	-	59,027,820
Total capital assets, net	$ 67,967,091	$ (1,618,303)	$ -	$ 66,348,788

A summary of capital assets by fund at June 30, 2016, was as follows:

	Industrial Development and Reserve Fund	Parking Garage Fund	Total
Land	$ -	$ 7,219,739	$ 7,219,739
Construction in progress	-	101,229	101,229
Building	-	75,670,895	75,670,895
Equipment	100,199	288,324	388,523
Leasehold improvements	56,211	128,462	184,673
Vehicle	19,172	-	19,172
Software	14,626	8,840	23,466
Subtotal	190,208	83,417,487	83,607,697
Less: accumulated depreciation	(186,685)	(17,072,224)	(17,258,909)
Total capital assets, net	$ 3,523	$ 66,345,263	$ 66,348,788

NOTE 8

Compensated Absences

Board employees are granted vacation, sick, and compensatory leave. The amounts of accrued vacation and compensatory hours are included as current and non-current liabilities. The current amount due is only an estimate. The costs of sick leave are not accrued. For the fiscal years ended June 30, 2017 and 2016, total accrued compensated absences were $79,976 and $69,268, respectively.

Changes in compensated absences for the year ended June 30, 2017, was as follows:

	Balance June 30, 2016	Additions	Reductions	Balance June 30, 2017	Due Within One Year
Compensated absences	$ 69,268	$ 36,666	$ 26,407	$ 79,527	$ 39,539

Changes in compensated absences for the year ended June 30, 2016, was as follows:

	Balance June 30, 2015	Additions	Reductions	Balance June 30, 2016	Due Within One Year
Compensated absences	$ 64,696	$ 41,323	$ 36,751	$ 69,268	$ 41,871

NOTE 9

Tax Credit for Contribution Deposits

One of the Board's programs is the Tax Credit for Contribution Program. During any calendar year, the Board can authorize up to $10 million in tax credits. The limitation on tax credit authorization may be exceeded only upon mutual agreement, evidenced by a signed and properly notarized letter, by the Commissioner of the Office of Administration, the Director of the Department of Economic Development, and the Director of the Department of Revenue that such action is essential to ensure retention or attraction of investment in Missouri, provided, that in no case shall more than $25 million in tax credits be authorized during such year.

Through this program, the Board is authorized to grant tax credits in an amount equal to 50% of contributions accepted by the Board. Eligible infrastructure projects approved by the Board are granted the contributions. Contributions received by the Board are remitted to fund the project upon requests supported by proof of eligible

reimbursable project expenditures or used to fund projects owned by the Board. Contributions on deposit with the Board are reflected as restricted assets and a liability in the accompanying financial statements. As of June 30, 2017 and 2016, the Board held deposits received pursuant to the Tax Credit for Contribution Program of $15,433,016 and $15,964,594, respectively.

NOTE 10

Long-Term Debt

Changes in outstanding debt for the year ended June 30, 2017, were as follows:

	Balance June 30, 2016	Additions	Reductions	Balance June 30, 2017	Due Within One Year
Long-term debt	$ 51,740,934	$ -	$ 32,044,934	$ 19,696,000	$ 214,000

Changes in outstanding debt for the year ended June 30, 2016, were as follows:

	Balance June 30, 2015	Additions	Reductions	Balance June 30, 2016	Due Within One Year
Long-term debt	$ 51,935,934	$ -	$ 195,000	$ 51,740,934	$ 359,286

A summary of debt held as of June 30, was as follows:

	2017	2016
St. Louis Convention Center Hotel Garage – $3,910,000 Series 2000B, taxable infrastructure facilities revenue bonds; and $11,440,000 St. Louis Convention Center Hotel Garage Series 2000C, tax exempt infrastructure facilities revenue bonds. Variable rate interest installments are paid monthly with interest not to exceed 10% per annum. Remaining principal is due December 1, 2020.	$ 11,650,000	$ 13,650,000
Seventh Street Garage – $9,000,000 Series 2010, Recovery Zone Facility Bonds. Monthly interest installments began July 1, 2010, and monthly principal installments began June 1, 2012. The interest rate per the Interest Deferral Agreement is the lesser of 1.25 percent plus 30-day LIBOR or 4.25 percent through April 30, 2015; then a variable rate through May 2020 not to exceed 5.264 percent pursuant to Interest Rate Cap Agreement (see Note 3). Variable rate thereafter through May 2040.	8,046,000	8,250,000
Seventh Street Garage – $3,424,425 NDC New Markets Investment LVII, LLC (NDC) Loan A note payable; $4,424,779 NDC Loan B note payable; and $2,192,642 NDC Loan C note payable. Fixed interest rate of 0.92 percent per annum. Monthly interest installments began June 5, 2010. Loan matures December 31, 2040. Loan was cancelled during fiscal year 2017.	-	10,041,846
Seventh Street Garage – $4,314,775 Urban Development Fund IX, LLC (UDF) Loan A-1 note payable; $5,575,221 UDF Loan B-1 note payable; and $1,909,092 UDF Loan C-1 note payable. Fixed interest rate of 0.92 percent per annum. Monthly interest installments began June 5, 2010. Loan matures December 31, 2040. Loan was cancelled during fiscal year 2017.	-	11,799,088
Seventh Street Garage – $6,260,800 St. Louis New Markets Tax Credit Fund-XI, LLC (SLDC) Loan A-2 note payable; and $1,739,200 SLDC Loan C-2 note payable. Fixed interest rate of 0.92 percent per annum. Monthly interest installments began June 5, 2010. Loan matures December 31, 2040. Loan was cancelled during fiscal year 2017.	-	8,000,000
Total	19,696,000	51,740,934
Less: current portion	(214,000)	(359,286)
Long-term debt	$ 19,482,000	$ 51,381,648

St. Louis Convention Center Hotel Series 2000B and 2000C:

The annual debt service requirement as of June 30, 2017, was as follows:

	Principal	Interest	Total
2018	$ -	$ 11,417	$ 11,417
2019	-	11,417	11,417
2020	-	11,417	11,417
2021	11,650,000	11,417	11,661,417
Totals	$ 11,650,000	$ 45,668	$ 11,695,668

The bonds have mandatory sinking fund redemptions that are the equivalent of maturing principal as indicated above. The annual debt service schedule above assumes an interest rate of 0.098 percent representing the interest rate at June 30, 2017. Debt is further collateralized by Bond Guarantee Tax Credits equal to the outstanding amount of the obligation and a Deed of Trust on the St. Louis Convention Center Hotel Garage (SLCCHG).

The Series 2000B bonds bear interest at a weekly rate; the Series 2000C bonds bear interest at a daily rate. The interest rate on bonds will be determined by the remarketing agent as the lowest rate of interest which in its judgment will cause the bonds to have a market value, as of the date of determination, equal to the principal amount of the bonds, taking into account prevailing market conditions.

Seventh Street Garage Series 2010:

The annual debt service requirement as of June 30, 2017, was as follows:

	Principal	Interest	Total
2018	$ 214,000	$ 114,756	$ 328,756
2019	223,000	111,616	334,616
2020	232,000	108,335	340,335
2021	242,000	104,912	346,912
2022	252,000	101,341	353,341
2023-2027	1,438,000	447,601	1,885,601
2028-2032	1,779,000	332,136	2,111,136
2033-2037	2,197,000	189,457	2,386,457
2038-2040	1,469,000	31,548	1,500,548
Totals	$ 8,046,000	$ 1,541,703	$ 9,587,703

The bonds are set for monthly mandatory sinking fund redemptions that are the equivalent of maturing principal as indicated above. The Board is required to deposit all amounts received from Seventh Street Garage Public Parking Corporation to UMB Bank, N.A. for payment on the bonds. The Board may request a withdrawal of funds exceeding the $500,000 minimum balance requirement (see Note 6). For the period ended June 30, 2017, the Board was in compliance with said requirement. Debt is further collateralized by Bond Guarantee Tax Credits equal to the outstanding amount of the obligation plus any accrued interest, a Deed of Trust on the Seventh Street Garage, and a Deed of Trust on the Ninth Street Garage.

As of June 28, 2012 through April 30, 2015, the Board entered into an Interest Deferral Agreement whereby the bond interest rate is the lesser of the Modified Pay Rate or 4.25 percent annually. The Modified Pay Rate is defined as the LIBOR rate plus 1.25 percent per annum (or 1.65 percent per annum if the Ninth Street Garage Deed of Trust is removed as collateral). The difference between the two rates is deferred until due or forgiven. The Board anticipates the deferred interest will be forgiven.

For the period May 1, 2015 through maturity, the bonds will carry a variable rate of interest. MDFB has the option to select from three variable interest rates prior to each interest rate period: a monthly term rate equal to LIBOR (not less than 3 percent), an annual term rate (one-year U.S. Treasury Rate plus 2.5 percent but not less than 3 percent), or a five-year fixed term rate (five-year Treasury rate plus 2.5 percent but not less than 4.25 percent). For the period beginning May 2015 and ending May 2020, the rate paid by MDFB will not exceed 5.264 percent pursuant to a rate cap agreement with Morgan Stanley Capital Services, LLC (see Note 3).

Seventh Street Garage Notes Payable:

In 2010, the Board formed SSGPPC, a wholly owned non-profit subsidiary of the Board, to facilitate participation in the Federal New Markets Tax Credit Program for the construction of the SSG. In connection with the construction and the NMTC program, SSGPPC had total outstanding long-term debt of $29,840,934 which it entered into an Investment Put and Call Agreement as part of the NMTC program. The NMTC program expired in 2017 and due to the Investment Put and Call Agreement, the Board was able to purchase its interest in the debt of SSGPPC for $1,000 resulting in the cancellation of the SSGPPC loans based upon standard NMTC program practices. Once the Board was the sole owner of the SSGPPC loans, the Board dissolved SSGPPC and merged its assets with the MDFB Seventh Street Garage Fund.

NOTE 11

Unearned Revenue

In April 2010, SSGPPC paid MDFB base rent of $6,406,643 under a capital lease agreement (see Note 7). MDFB has recorded unearned revenue in the amount of $0 and $864,871 for the fiscal years ended June 30, 2017 and 2016, respectively, due to the difference between the minimum lease payment and the estimated fair market value of the building of $5,463,913 at the time of closing. The lease agreement was cancelled when SSGPPC's operations were acquired by MDFB and SSGPPC was dissolved on June 30, 2017. SSGPPC had recorded a prepaid asset for this amount, and both the unearned revenue and prepaid asset were removed as part of the dissolution.

Also in April 2010, U.S. Bank prepaid rent of $1 million to the SSGPPC, which was transferred to the Seventh Street Garage MDFB Fund during fiscal year 2017. The prepayment is reflected in unearned revenue and is amortized over the life of the lease. For the fiscal year ended June 30, 2017, Seventh Street Garage's unearned revenue was $786,111, and for the fiscal year ended June 30, 2016, SSGPPC's unearned revenue was $819,444.

In addition, for the fiscal years ended June 30, 2017 and 2016, St. Louis Convention Center Hotel Garage unearned revenue was $31,739 and $67,805, respectively, for parking rent paid in advance.

Total unearned revenue for fiscal years ended June 30, 2017 and 2016 was $836,930 and $1,752,120, respectively.

NOTE 12

RENTAL INCOME

The Parking Garage Fund's St. Louis Convention Center Hotel Garage (SLCCHG) 880-space parking garage was constructed by the Board to support the St. Louis Convention Center Hotel project in downtown St. Louis. The carrying value of the garage is $22,235,595, less accumulated depreciation of $6,573,333 and $5,986,193 as of June 30, 2017 and 2016, respectively. In May 2014, the Board executed a license agreement with 800 Washington LLC and Lennox Suites, LLC (Licensees), the new owners of the Renaissance Grand Hotel. The agreement is in effect through June 30, 2054. Under the agreement with 800 Washington LLC, 275 undesignated, unreserved parking spaces are allocated by the Operator for daily use by the Hotel guests with the option of an additional 325 spaces with a seven days prior notice. The Licensee is to pay a base annual license charge of $62,500 per month plus an amount equal to 40% of the amount by which operating expenses in the garage exceeds $560,000. Under the agreement with Lennox Suites, LLC, 50 undesignated, unreserved spaces are allocated by the Operator for daily use by the Courtyard Marriott Hotel guests with the option of an additional 50 spaces with two days prior notices. Effective July 1, 2016, the Licensee is to pay a base

annual license charge of $100,000 per annum. Effective July 1, 2017, the Licensee will also incur an amount equal to 10% of the amount by which operating expenses in the garage exceed $570,000 (indexed). In addition to the Hotels, the nearby Merchandise Mart, a mixed-use development with apartments and retail space, has a lease for up to 118 spaces in this parking garage with minimum annual lease payments of $25,000. The initial lease is for 19 years with an expiration date of December 31, 2021. There is a renewal option for an additional 11 years if the Merchandise Mart pays a $50,000 renewal fee 90 days prior to the lease expiration term. The STL Loft Partners, LLC executed a lease with the Board on October 19, 2012, for 50 years; 40 spaces are to be taken the first year, and up to 35 additional spaces could be requested with notice by May 31, 2014. On May 31, 2014, STL Loft Partners, LLC notified the Board that the final number of spaces to be leased is 65. On March 1, 2017, STL Loft Partners, LLC was purchased, and the parking lease assumed, by Strategic STL Tower LLC. Both the Merchandise Mart and Strategic STL Tower LLC leases call for parking rates to be equivalent to rates paid by the general public for monthly parking.

The Parking Garage Fund's Ninth Street Garage (NSG) is a 1,050-space parking garage constructed by the Board to support the renovation of the Old Post Office project and redevelopment of adjacent vacant buildings in downtown St. Louis. The carrying value of the garage is $32,669,336, less accumulated depreciation of $7,816,354 and $7,046,300 as of June 30, 2017 and 2016, respectively. Leases are in place with the Eastern District Court of Appeals, Webster University, Frisco Associates, Pyramid Construction (which was assigned to Paul Brown Developer, LP), and entities associated with the Syndicate Building. The Office of Administration for the State of Missouri is on a month-to-month basis, and currently utilizes 188 spaces. In October 2012, STL Tower Partners, LLC executed a lease for up to 165 reserved spaces and had to provide notice as to the maximum number of spaces they would occupy. On August 1, 2014, the Board received notice as to the number of spaces would be 100. The lease was amended on July 1, 2015 to add 50 unreserved spaces that had to be taken by October 1, 2015. On March 1, 2017, STL Tower Partners, LLC was purchased, and the parking lease assumed by Strategic STL Tower LLC. The Board's garage operator also initiated an agreement beginning August 2014 with St. Louis University Law School for up to 350 parking spaces.

Under a lease dated November 26, 2008, the Board leased the 20,800-square feet of retail space in the NSG to SMI-NSG, LLC, an affiliate of Schnucks Markets, Inc., and DESCO. The lessee operates an urban concept grocery store, Culinaria, and pays annual rent of $187,200. The lease is on a triple net basis. The term of the lease is 10 years with six, five-year renewal options. The Board also entered into a Parking Validation Agreement that provides store customers with free parking for one hour from nine-to-five on weekdays and two hours at all other times, as well as a provision for free employee parking for up to 336 hours per day. There also is an agreement with Schnucks Markets, Inc., to share in the additional expenses for weekend staffing of the parking garage. In August 2009, the Board funded SMI-NSG, LLC $1.1 million of remaining NSG bond funds for tenant improvements.

The Parking Garage Fund's 750-space Seventh Street Garage began operations in February 2011. The carrying value of the garage is $28,502,673 less accumulated depreciation of $4,575,359 and $3,838,487 as of June 30, 2017 and 2016, respectively. The Seventh Street Garage Public Parking Corporation (SSGPPC), assigned to MDFB, executed two parking leases that became effective February 1, 2011.

The first lease is a parking lease agreement with U.S. Bank, NA which leases 400 parking units. The term of the lease is for 30 years and there are two, 10-year renewal options. The parking rent is the greater of $125 per month, the market rate, or the monthly contract rate as defined in the agreement, but never less than the amount in effect for the prior year. Lease payments are payable on the first of each month. The rent will be determined annually at least 30 days preceding the effective date and each anniversary date of the effective date. In addition to the base rent described above, the tenant paid supplemental rent of $1 million (see Note 11) which was recorded as unearned revenue and is being amortized over the term of the lease.

In addition to the lease with U.S. Bank, SSGPPC (as assigned to MDFB) also leases parking spaces to 600 Tower, LLC. The lease covered a total of 240 parking spaces (85 reserved and 155 unreserved) upon initiation of the lease, increasing by 15 additional unreserved spaces up to 475 units; and monthly rent was $155 per reserved space, and $130-$135 per unreserved space adjusted $5 every two years during the lease term. Currently, the Tower takes a total of 475 spaces (89 reserved and 386 unreserved) at $165 per reserved space and $135-$140 per unreserved space. Monthly rent also can be adjusted based on market rent. The term of the lease is for 30 years and there are two, 10-year renewal options.

Parking lease income is reflected in the *Statements of Revenues, Expenses, and Changes in Net Position* as Parking garage revenues and the Schnucks Markets, Inc. retail space lease income is shown as Rental income.

Future minimum rental income on non-cancelable operating leases was as follows:

	St. Louis Convention Center Hotel Garage	Ninth Street Garage	Seventh Street Garage
2017	$ 976,400	$ 731,190	$ 1,707,590
2018	976,400	712,200	1,688,600
2019	976,400	706,800	1,683,200
2020	976,400	580,800	1,557,200
2021	976,400	487,200	1,463,600
2022-2026	4,769,500	2,436,000	7,205,500
2027-2031	4,757,000	1,860,000	6,617,000
2032-2036	4,757,000	1,806,000	6,563,000
2037-2041	4,757,000	1,394,000	6,151,000
2042-2046	4,757,000	1,365,000	6,122,000
2047-2051	2,207,000	836,250	3,043,250
2052-2056	507,000	780,000	1,287,000
2057-2061	507,000	780,000	1,287,000
2062	25,350	156,000	181,350
Totals	$ 31,925,850	$ 14,631,440	$ 46,557,290

NOTE 13
Contributions to Others

MDFB is the sole member of SSGPPC. Per the SSGPPC bylaws, all excess cash is transferred monthly to MDFB. However, in fiscal years 2017 and 2016, a management decision was made to let a portion of the excess cash accumulate in order to fund significant repairs at the Seventh Street Garage. As a result, SSGPPC contributed $0 to MDFB in each of the fiscal years 2017 and 2016. Any contributed revenue is netted to zero on the *Statements of Net Position* due to the blending of the SSGPPC component unit within the Parking Garage Fund; the contribution is shown in the Combining Schedules of Net Position for the Parking Garage Fund.

NOTE 14
Lease Agreements

(a) 601 Locust Street, St. Louis, Missouri

In fiscal year 2010, MDFB purchased the entire real estate and building commonly known as St. Louis Centre (601 Locust Street in St. Louis) for approximately $14.2 million from St. Louis Centre Building, LLC (see Note 7).

MDFB, in turn, immediately leased most of Floor 2 and Floors 3-4 to SSGPPC for a term of 75 years (expiring in 2085) for a one-time lease payment of approximately $6.4 million; and leased Floor 1 and the remainder of Floor 2 to Mercantile Exchange, Inc. (MEI), an unrelated entity, for a term of 100 years (expiring in 2110) for a one-time lease payment of approximately $8.8 million. The leases are treated by MDFB as capital leases for accounting purposes and as a sale for income tax purposes.

MDFB classified its leases with SSGPPC and MEI as direct financing leases. MDFB received the minimum lease payments of approximately $14.2 million upfront and will not receive any further lease payments. As a result, MDFB recorded a net investment in direct financing leases of $0 and unearned income of $942,730, respectively, included in

unearned revenue (see Note 11). The unearned revenue is being amortized over the terms of the leases.

Garage Lease – SSGPPC: SSGPPC paid MDFB base rent of approximately $6.4 million in a lump sum upfront payment at lease inception. No further lease payments are required, although SSGPPC is required to pay costs of maintenance, operation, and repair of the property. Of the total amount, approximately $5.5 million was capitalized as building and the difference was recorded as prepaid lease expense to be amortized over the life of the lease. The lease agreement was cancelled when SSGPPC's operations were acquired by MDFB and SSGPPC was dissolved on June 30, 2017.

Retail Lease – MEI: MEI paid MDFB base rent of approximately $8.8 million in a lump sum upfront payment at lease inception through the assignment of a promissory note from the subtenant MX Retail, LLC (MXR). MDFB assigned this promissory note without recourse to the seller of the property in order to cover a portion of the cost to acquire the property. No further lease payments are required. MEI's subtenant is developing the leased floors into retail space, and the completion of the retail space is the responsibility of MEI. MDFB is not involved in the retail development.

At the end of the lease, MEI will deliver possession back to MDFB, unless MEI causes the building to be converted into two or more condominium units (one for the garage and one for the retail space) and exercises its option to purchase the retail space for $100,000. MEI must meet certain conditions in order to exercise this option.

(b) Office Lease Obligation

In October 2004, the Board entered into a lease with Hotel Governor of Jefferson City, LLP, to lease 3,501 square feet on the 10th Floor of the Governor Office Building. The lease is an operating lease with a term of 10 years. The Board has capitalized related tenant improvements in the amount of $56,211. In July 2014, the Board renewed its lease for a five-year term with a five-year option. During fiscal years 2017 and 2016, rent totaling $67,920 and $66,588 was paid, respectively.

Future minimum lease payments for this lease are as follows:

	Hotel Governor
2018	$ 69,278
2019	70,664
2020	72,077
2021	73,519
2022	74,989
2023	76,489
2024	78,018
2025	19,601
Total future minimum lease payments	$ 534,635

(c) KC Overhaul Base Lease

In December 2004, the Board accepted a contribution from the EDC Loan Corporation (EDC), a not-for-profit organization, consisting of an assignment of a 50-year leasehold interest in the Kansas City Overhaul Base located adjacent to the Kansas City International Airport (the Overhaul Base).

EDC's contribution to the Board of the leasehold interest was valued by two independent appraisers at the lowest value of $32 million. In return, the Board issued a total of $16 million in contribution tax credits to EDC. These tax credits were sold in accordance with the Tax Credit Agreement to independent parties on March 3, 2005, July 2, 2005, and June 30, 2006; total proceeds were $13.76 million. The Board paid the proceeds from the tax credit sales less the Board fee to the City to be used for the renovation of the Overhaul Base.

In addition, the City and the Board entered into an assumption agreement as of December 31, 2004 with the City assuming all responsibility and liability relating to ownership, management and operations of the Overhaul Base. As a result of this assumption of the leasehold interest by the City, the Board has no assets or liabilities related to the leasehold interest recorded in its financial statements.

In May 2015, the Board executed an Amendment to the Tax Credit Agreement containing a provision that the City will return all unexpended tax credit proceeds to the Board by September 20, 2017. As of December 31, 2016, the balance of the tax credit proceeds remaining was approximately $2.17 million. The City expects to utilize all funds. MDFB will continue to monitor expenditures.

(d) State of Missouri Acting By and Through Its Office of Administration

In November 2005 and May 2006, the Board issued Series 2005 and 2006 Leasehold Revenue Bonds for the benefit of the State of Missouri Office Buildings Project. With the proceeds of the bonds, the Board purchased four office buildings, which it then leased on a triple net basis, to the State of Missouri through its Office of Administration (OA) for the term of the debt, 25 years, subject to annual State appropriation of lease payments needed to retire the fixed rate, level amortization bonds. The Board transferred its interests in the lease agreement and security interest in the buildings to the bond trustee through a trust indenture.

Bond payments are to be paid exclusively from rent revenues received. In addition, payment of the Series 2005 Bonds is insured by a municipal bond new issue insurance policy. The bonds do not constitute a debt or liability of the Board.

Upon request, the State has the option to purchase the buildings. Furthermore, once bonds are paid in full, ownership transfers to the State. The State retains all rights and obligations of ownership of the buildings. As a result, the Board has excluded the buildings and related debt from its financial statements.

In June 2013, the Board issued Series 2013A Leasehold Revenue Refunding Bonds (State of Missouri Office Building Projects) for $21,820,000 to provide for the defeasance, payment and discharge of a portion of the $28,995,000 Missouri Development Finance Board, Series 2005 Leasehold Revenue Bonds (State of Missouri Office Building Projects). Bond proceeds were placed in escrow and in September 2015 Series 2005 bonds with maturities from 2016 through 2030 were redeemed.

In June 2013, the Board issued Series 2013B Leasehold Revenue Refunding Bonds (State of Missouri Office Building Project), for $7,450,000 to provide for the defeasance, payment and discharge of a portion of the $9,865,000 Missouri Development Finance Board, Series 2006 Leasehold Revenue Bonds (State of Missouri Office Building Project). Bond proceeds were placed in escrow and in September 2015, Series 2006 bonds with maturities from 2016 through 2030 were redeemed.

(e) MasterCard International Incorporated Facility Lease

In 1999, the Board issued bonds for $154 million to fund construction of approximately 414,000 square feet of office space and a 114,000-square foot data and energy center on 52 acres in O'Fallon. In order for MasterCard to qualify for tax abatement, the Board took title to the property which it leased to the O'Fallon Public Facilities Authority (Authority). The Authority used the proceeds of the bond issue to build and equip the MasterCard project, and then leased the building to MCI O'Fallon 1999 Trust (Trust), which further subleased to MasterCard. In 2008, MasterCard exercised its option to refund the bonds. The Board issued $160 million in conduit debt to facilitate the refunding. The refunding eliminated the Authority and the Trust and resulted in the Board leasing to MasterCard directly.

Bond payments and related interest are to be paid exclusively from rent and other revenues from the lease agreement. Such payments, revenues and receipts are pledged and assigned to the bond trustee as security for the payment of the bonds as provided in the Bond Indenture. The bonds do not constitute a debt or liability of the Board.

Upon request, MasterCard has the option to purchase the buildings. Furthermore, once bonds are paid in full,

MasterCard can purchase the facility for $10. MasterCard retains all rights and obligations of ownership of the buildings.

As a result, the Board has excluded the buildings and related debt from its financial statements.

NOTE 15

Fair Value Measurements

For assets and liabilities required to be reported at fair value, U.S. generally accepted accounting principles prescribes a framework for measuring fair value and financial statement disclosures about fair value measurements. A fair value hierarchy has been established that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

The fair value hierarchy as prescribed by U.S. generally accepted accounting principles is as follows:

Level 1 – Valuation is based upon quoted prices (unadjusted) in active markets for identical assets or liabilities that the Board has the ability to access.

Level 2 – Valuation is based upon quoted prices for similar assets and liabilities in active markets, as well as inputs that are observable for the asset or liability (other than quoted prices), such as interest rates, foreign exchange rates, and yield curves that are observable at commonly quoted intervals.

Level 3 – Valuation is generated from model-based techniques that use at least one significant assumption based on unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Board's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability.

The Board's assets and liabilities measured at fair value on a recurring basis as of June 30, 2017 and 2016, aggregated by the level in the fair value hierarchy within which those measurements fall, are as follows:

2017 Description	Total	Level 1	Level 2	Level 3
Measured at fair value:				
Money market funds	$ 1,291,166	$ 1,291,166	$ -	$ -
U.S. government agency discount notes	14,965,943	-	14,965,943	-
Overnight repurchase agreements	20,094,336	-	20,094,336	-
Total investments	$ 36,351,445	$ 1,291,166	$ 35,060,279	$ -

2016 Description	Total	Level 1	Level 2	Level 3
Measured at fair value:				
Money market funds	$ 1,620,008	$ 1,620,008	$ -	$ -
U.S. government agency discount notes	18,069,504	-	18,069,504	-
Overnight repurchase agreements	22,656,334	-	22,656,334	-
Total investments	$ 42,345,846	$ 1,620,008	$ 40,725,838	$ -

Level 1 classifications above consist of money market funds that are valued at the daily closing price as reported by the fund.

Level 2 classifications above consist of U.S. government agency discount notes and overnight repurchase agreements that are valued based on third party pricing services for identical or similar assets.

No investments are classified as Level 3 above.

NOTE 16

Commitments and Contingencies

(a) Administrative Services Agreement

In April 2010, the Board entered into an Administrative Services Agreement with the SSGPPC. Because SSGPPC does not have employees of its own, it has agreed to pay the Board $30,000 annually to cover the costs associated with managing and maintaining adequate records on its behalf. As of July 1, 2017 this agreement ceased due to the acquisition of SSGPPC's operation by MDFB (the Seventh Street Garage).

(b) Conduit Bond Issues

As of June 30, 2017, the Board has issued $1,637,967,574 in Private Activity Bonds and $2,612,179,000 in Public Purpose and Refunding Revenue Bonds. The outstanding balances on these bonds and notes as of June 30, 2017 were approximately $428,906,168 and $1,089,449,000, respectively.

As of June 30, 2016, the Board has issued $1,637,967,574 in Private Activity Bonds and $2,436,209,000 in Public Purpose and Refunding Revenue Bonds. The outstanding balances on these bonds and notes as of June 30, 2016 were approximately $563,517,281 and $943,924,000, respectively.

The Board has no liability for repayment of these revenue bonds and notes aside from second loss reserve fund deposits; accordingly, these bonds and notes have not been recorded in the accompanying financial statements. Security for the bondholders consists of the unconditional obligation of the borrowers to repay the bonds and notes and in certain cases, insurance, letters of credit, annual appropriation pledges and certain funds held through trustees under the various indentures.

(c) Risk Management

The Board is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; and workers' compensation claims. The Board carries commercial insurance for theft of assets and workers' compensation. The Board carries commercial property, comprehensive liability, and business interruption insurance policies on the St. Louis Convention Center Hotel, Ninth Street, and Seventh Street parking garages. The Board is self-insured for all other risks of loss.

The Board had no material unpaid claims, liabilities, or settlements related to any loss in any of the past three years.

(d) DREAM Commitments

In August 2006, the Board, the Department of Economic Development (DED) and the Missouri Housing Development Commission (MHDC) initiated the DREAM program. Through June 30, 2016, when the program ended, 40 communities received technical assistance and services to support them in their downtown redevelopment efforts. The Board contracted with Peckham Guyton Albers & Viets, Inc. to assist in the redevelopment process of the selected communities. Each community received technical assistance over the course of three years. The Board finalized all obligations under this program. During the fiscal years ended June 30, 2017 and 2016, the Board spent approximately $0 and $250,000, respectively, towards the program.

(e) Small Business Loan Program

In January 2009, Governor Jeremiah W. (Jay) Nixon issued Executive Order 09-03 (E.O.) shortly after assuming office. This E.O. directed the DED to work with the Board "to create a pool of funds designated for low-interest and no-interest direct loans for small businesses." Related announcements from Governor Nixon recommended this pool of funds be capitalized by a $2 million grant from the Board. In April 2009, the Board approved funding the $2 million program. As of June 30, 2017, the Board has loaned approximately $1.9 million to 60 small businesses and one small business disaster relief loan program across the State of Missouri. The Board continues to work with DED to loan the remaining funds. The Small Business Loan Program is reflected in the Revolving Loan Fund (RLF). (see Note 5).

NOTE 17

Employees' Retirement Benefits – Deferred Compensation Plan

Board employees are eligible to contribute to the State of Missouri's Deferred Compensation Plan. Upon completing one year of employment, employees are eligible to receive a maximum $35 contribution per month if the employee also makes at least a $35 contribution per month (this provision has been indefinitely suspended). The Deferred Compensation Plan is an eligible state deferred compensation plan as defined by Section 457 of the Internal Revenue Code. Effective January 1, 1999, amounts deferred under the plan are held in trust for the exclusive benefit of the plan participants and their beneficiaries.

NOTE 18

Employee's Retirement Benefits – Defined Benefit Pension Plan

(a) General Information about the Pension Plan

Plan description – Benefit eligible employees of the Board are provided with pensions through Missouri State Employees' Plan (MSEP) – a cost-sharing, multiple-employer defined benefit pension plan administered by MOSERS. The plans are referred to as MOSERS in the notes. Chapter 104.320 of the Revised Statutes of Missouri grants the authority to establish a defined benefit plan for eligible state and other related agency employees. MOSERS issues an annual Comprehensive Annual Financial Report (CAFR), a publicly available financial report that can be obtained at www.mosers.org.

Benefits provided – MOSERS provides retirement, disability, and life insurance benefits to eligible employees. The base retirement benefits are calculated by multiplying the employee's final average pay by a plan-specific factor multiplied by the years of creditable service. The factor is based on the specific plan in which the employee participates, which is based on the employee's hire date. Information on the three plans administered by MOSERS (MSEP, MSEP 2000, and MSEP 2011) retirement plans and how eligibility and the benefit amount is determined for each plan may be found in the Notes to the Financial Statements of MOSERS' CAFR starting on page 28.

Contributions – Per Chapter 104.436 of the Revised Statutes of Missouri, contribution requirements of the active employees and the participating employers are established and may be amended by the MOSERS Board. Employees in the MSEP 2011 Plan are required to contribute 4 percent of their annual pay. The Board's required contribution rate for the years ended June 30, 2016 and 2015, was 16.97% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Contributions to the pension plan from the Board were $79,588 and $83,122 for the years ended June 30, 2017 and 2016, respectively.

(b) Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2017 and 2016, the Board reported a liability of $1,124,116 and $812,507, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016 and 2015, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates.

The Board's proportion of the net pension liability was based on the Board's actual share of contributions to the pension plan relative to the actual contributions of all participating employers for MOSERS plan years ended June 30, 2016 and 2015, respectively. At the June 30, 2016 measurement date, the Board's proportion was 0.0242 percent, a decrease from its proportion measured using 0.0256 percent as of the June 30, 2015, measurement date.

There were no changes in benefit terms during the MOSERS plan years ended June 30, 2016 and 2015, that affected the measurement of total pension liability.

For the years ended June 30, 2017 and 2016, the Board recognized pension expense of $169,662 and $79,542, respectively.

At June 30, 2017, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2017	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 11,577	$ (3,284)
Changes of assumptions	117,042	(6,757)
Net difference between projected and actual earnings on pension plan investments	183,669	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	-	(28,103)
Board contributions subsequent to the measurement date of June 30, 2016	77,814	-
Total	$ 390,102	$ (38,144)

$77,814 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018.

At June 30, 2016, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2016	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,518	$ (5,256)
Changes of assumptions	-	(10,814)
Net difference between projected and actual earnings on pension plan investments	62,386	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	-	(5,991)
Board contributions subsequent to the measurement date of June 30, 2015	79,588	-
Total	$ 143,492	$ (22,061)

$79,588 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in the Board's fiscal year following MOSERS' fiscal year as follows:

Year Ending June 30			
MOSERS	Board		Amount
2017	2018	$	67,142
2018	2019		67,347
2019	2020		107,533
2020	2021		32,122
		$	274,144

Actuarial assumptions – The total pension liability in the June 30, 2016 and 2015 actuarial valuations, which are also the date of measurement for GASB 68 purposes, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

2016	
Inflation	2.5 percent, approximate
Salary increases	3.25 to 8.75 percent, including inflation
Investment rate of return	7.6 percent per year, compounded annually, net after investment expenses and including inflation

Mortality rates for post-retirement mortality are based on the RP-2014 Healthy Annuitant mortality table, projected to 2026 with Scale MP-2015 and scaled by 120%. The pre-retirement mortality table used is the RP-2014 Employee mortality table, projected to 2026 with Scale MP-2015 and scaled by 95% for males and 90% for females.

2015	
Inflation	2.5 percent, approximate
Salary increases	0 to 3 percent annually, average, including inflation
Investment rate of return	8 percent per year, compounded annually, net after investment expenses and including inflation

Mortality rates were based on the RP-2000 combined healthy mortality table projected to 2016 with Scale AA. The pre-retirement mortality rates used were 100% of the post-retirement mortality rates for males and 801% of the post-retirement mortality rates for females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2015 and July 1, 2007 to June 30, 2011, respectively. As a result of the 2015 actuarial experience study, the MOSERS Board made various demographic assumption changes to more closely reflect actual experience. The most significant change was lowering the assumed annual investment rate of return from 8 percent to 7.65 percent.

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2007 to June 30, 2011. As a result of the 2011 actuarial experience study, the MOSERS Board made various demographic assumption changes to more closely reflect actual experience. The most significant change was lowering the assumed annual investment rate of return from 8.5 percent to 8 percent.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates rates of expected future real rates of return (expected returns, net of pension plan investment expense) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in MOSERS' target asset allocation as of June 30, 2016 and 2015 are summarized in the following tables.

2016			
Asset Class	Policy Allocation	Long-term Expected Real Rate of Return*	Weighted Average Long-Term Expected Real Rate of Return
Beta-balanced	80.0%	5.7%	4.6%
Illiquids**	20.0	7.3	1.5
Total	100.0%		6.1%

* Represent best estimates of geometric rates of return for each major asset class included.

** Illiquid portfolio upper limit of 27.5% of capital, no new commitments past 23%.

2015			
Asset Class	Policy Allocation	Long-term Expected Real Rate of Return*	Weighted Average Long-Term Expected Real Rate of Return
Beta-balanced	80.0%	5.7%	4.6%
Illiquids**	20.0	7.3	1.5
Total	100.0%		6.1%

* Represent best estimates of geometric rates of return for each major asset class included.

** Illiquid portfolio upper limit of 27.5% of capital, no new commitments past 23%.

Discount rate – The discount rate used to measure the total pension liability was 7.65 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Board's proportionate share of the net pension liability to changes in the discount rate – The following presents the Board's proportionate share of the net pension liability calculated using the discount rate of 7.65 percent, as well as what the Board's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.65 percent) or 1-percentage-point higher (8.65 percent) than the current rate:

	2016		
	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)
Board's proportionate share of the net pension liability	$ 1,480,198	$ 1,124,116	$ 825,580

	2015		
	1% Decrease (7.0%)	Current Discount Rate (8.0%)	1% Increase (9.0%)
Board's proportionate share of the net pension liability	$ 1,131,307	$ 812,507	$ 526,796

Pension plan fiduciary net position – Detailed information about the pension plan's fiduciary net position is available in the separately issued MOSERS financial report.

(c) Payables to the Pension Plan

The Board did not report any payables to MOSERS.

NOTE 19

Subsequent Event

In June 2017, the Board approved a request not to exceed $2 million to be disbursed during fiscal year 2018 to the Department of Economic Development (DED) for funding to the Hawthorn Foundation (Hawthorn). Hawthorn will use the funds to benefit the Missouri Partnership (Partnership) for the purpose of recruiting businesses to Missouri pursuant to respective contracts between DED and Hawthorn and between Hawthorn and the Partnership. As part of the Board's approval, DED has agreed to submit a request to the Office of Budget and Planning for inclusion in the Governor's Supplemental Appropriation request for fiscal year 2018 with the understanding the Board would be reimbursed should the supplemental appropriation be approved. If a supplemental appropriation is not approved, the request will be converted to a grant and not repaid to the Board.

Missouri Development Finance Board
Schedules of Required Supplementary Information

Schedule of the Board's Proportionate Share of the Net Pension Liability

	June 30, 2017*	June 30, 2016*	June 30, 2015*
Board's proportion of the net pension liability	0.0242%	0.0256%	0.0256%
Board's proportionate share of the net pension liability	$ 1,124,116	$ 812,507	$ 602,887
Board's covered-employee payroll	$ 468,994	$ 489,820	$ 511,105
Board's proportionate share of the net pension liability as a percentage of its covered-employee payroll	239.69%	165.88%	117.96%
Plan fiduciary net position as a percentage of the total pension liability	63.6%	72.62%	79.49%

* Based on a measurement date and actuarial valuation as of the end of the preceding fiscal year.

Note: This schedule will ultimately contain 10 years of data.

Schedule of Board Contributions

	June 30, 2017	June 30, 2016	June 30, 2015
Actuarially determined	$ 84,888	$ 79,588	$ 83,122
Contribution in relation	$ 77,814	$ 79,588	$ 83,122
Contribution deficiency (excess)	$ 7,074	$ -	$ -
Board's covered employee payroll	$ 500,221	$ 468,994	$ 489,820
Contributions as a percentage of covered-employee payroll	16.97%	16.97%	16.97%

Note: This schedule will ultimately contain 10 years of data.

Notes to the Required Supplementary Information
Changes of Benefit Terms or Assumptions

Changes of benefit terms – There were no changes to benefit terms in the plan for the years ended June 30, 2016 and 2015.

Changes of assumptions – Economic and demographic assumptions were updated by the Board of Trustees on July 16, 2016 to be first effective for the June 30, 2016 valuation. The most significant changes to these assumptions were the reduction of the investment return assumption from 8 percent to 7.65 percent and the adoption of new mortality tables. Mortality rates for post-retirement mortality are now based on the RP-2014 Healthy Annuitant mortality table, projected to 2026 with Scale MP-2015 and scaled by 120%. The pre-retirement mortality table used is now the RP-2014 Employee mortality table, projected to 2026 with Scale MP-2015 and scaled by 95% for males and 90% for females. There were no changes to assumptions in the valuation report for the year ended June 30, 2015, other than the assumption that there would be no pay increases for the fiscal year ended June 30, 2016, only.

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SUPPLEMENTARY INFORMATION

This part of the Board's comprehensive annual financial report presents the Combining Schedules of Net Position; Combining Schedules of Revenues, Expenses, and Changes in Net Position; and Combining Schedules of Cash Flows for the Board's Parking Garage Fund and Revolving Loan Fund for fiscal years ended June 30, 2017 and 2016.

Parking Garage Fund

St. Louis Convention Center Hotel Garage Fund

The St. Louis Convention Center Hotel Garage (SLCCHG) is an 880-space garage located at 419 North 9th Street in downtown St. Louis. The Board constructed the garage to support the St. Louis Convention Center Hotel project. Activity related to the SLCCHG is reported in this column.

Ninth Street Garage Fund

The Ninth Street Garage (NSG) consists of 1,050-space garage and 20,800 square feet of retail space located at 905-913 Olive Street in downtown St. Louis. The parking garage was constructed to support the renovation of the Old Post Office project and redevelopment of adjacent vacant buildings in downtown. Activity related to the NSG is reported in this column.

Seventh Street Garage MDFB Fund

The Seventh Street Garage MDFB (SSG) Fund reports SSG Board activity exclusive of the SSGPPC activity, as noted below. The SSG Fund reports activity associated with the redevelopment of floors one through four and loans indirectly tied to the redevelopment of this and adjacent properties. On June 30, 2017, due to the unwinding of the NMTCs structure associated with SSGPPC, followed by the subsequent merger and dissolution of SSGPPC, SSG became the holder of the assets and liabilities of SSGPPC.

Seventh Street Garage Public Parking Corporation Fund (blended component unit):

The Seventh Street Garage Public Parking Corporation (SSGPPC) Fund reports the activity of the 750-space parking garage located at 601 Locust Street in downtown St. Louis. The parking garage is located on floors two through four of a building commonly known as St. Louis Centre. The SSGPPC is a 501(c)(3) created to utilize the Federal New Markets Tax Credits (NMTCs) and is a qualified active low-income community business (QALICB) as required by the NMTCs. SSGPPC leases the parking garage portion of the building from MDFB and owns the leasehold improvements and operates the garage. On June 30, 2017, due to the unwinding of the NMTCs, SSGPPC was acquired by SSG and subsequently dissolved. On that date, SSG became the holder of the assets and liabilities of SSGPPC.

Revolving Loan Fund

Missouri Infrastructure Development Loan Program Fund (MIDOC)

The MIDOC Fund presents activity from the MIDOC Loan Program. The MIDOC Loan Program offers long-term, low-interest loans to local political subdivisions, including public water and sewer districts, to fund infrastructure improvements. The program is structured as a revolving loan program with repayment proceeds used to provide additional loans for eligible infrastructure projects.

Small Business Loan Fund

The Small Business Loan (SBL) Fund shows activity from the Board's Small Business Loan Program. The SBL Program provides long-term, low-interest direct loans for small businesses located within the State of Missouri. Loans can be used to fund capital and operational needs.

Missouri Development Finance Board
Combining Schedule of Net Position
Parking Garage Fund | *June 30, 2017*

	St. Louis Convention Center Hotel Garage Fund	Ninth Street Garage Fund	Seventh Street Garage MDFB Fund	Seventh Street Garage Public Parking Corporation Fund	Total Parking Garage Fund
ASSETS					
Current assets:					
Cash and cash equivalents	$ 3,599,113	$ 5,858,595	$ 3,622,365	$ -	$ 13,080,073
Current portion of loans and notes receivable	15,552	-	-	-	15,552
Accrued interest on investments	2,202	-	-	-	2,202
Interfund receivable	190,100	-	-	-	190,100
Prepaid expense and other assets	32,286	104,352	51,340	-	187,978
Total current assets	3,839,253	5,962,947	3,673,705	-	13,475,905
Noncurrent assets:					
Restricted assets	1,375,000	-	500,000	-	1,875,000
Derivative instrument – interest rate cap agreement	-	-	261	-	261
Long-term portion of loans and notes receivable	-	-	5,000,000	-	5,000,000
Capital assets:					
Assets not being depreciated	4,739,352	2,684,017	-	-	7,423,369
Assets being depreciated, net	10,922,910	22,169,789	26,713,007	-	59,805,706
Total noncurrent assets	17,037,262	24,853,806	32,213,268	-	74,104,336
Total assets	20,876,515	30,816,753	35,886,973	-	87,580,241
DEFERRED OUTFLOWS OF RESOURCES					
Accumulated decrease in fair value of hedging derivatives	-	-	386,739	-	386,739
LIABILITIES					
Current liabilities:					
Accounts payable and other accrued liabilities	21,578	-	13,041	-	34,619
Accrued bond interest payable	849	-	28,496	-	29,345
Current portion of long-term debt payable	-	-	214,000	-	214,000
Total current liabilities	22,427	-	255,537	-	277,964
Noncurrent liabilities:					
Long-term debt	11,650,000	-	7,832,000	-	19,482,000
Unearned revenue	31,739	19,080	786,111	-	836,930
Total noncurrent liabilities	11,681,739	19,080	8,618,111	-	20,318,930
Total liabilities	11,704,166	19,080	8,873,648	-	20,596,894
NET POSITION					
Net investment in capital assets	4,012,262	24,853,806	18,667,007	-	47,533,075
Restricted					
Restricted for debt service	1,375,000	-	500,000	-	1,875,000
Unrestricted	3,785,087	5,943,867	8,233,057	-	17,962,011
Total net position	$ 9,172,349	$ 30,797,673	$ 27,400,064	$ -	$ 67,370,086

Missouri Development Finance Board
Combining Schedule of Net Position
Parking Garage Fund | *June 30, 2016*

	St. Louis Convention Center Hotel Garage Fund	Ninth Street Garage Fund	Seventh Street Garage MDFB Fund	Seventh Street Garage Public Parking Corporation Fund	Total Parking Garage Fund
ASSETS					
Current assets:					
Cash and cash equivalents	$ 4,553,249	$ 4,577,287	$ 2,596,339	$ 2,632,463	$ 14,359,338
Current portion of loans and notes receivable	12,612	-	34,013	-	46,625
Accrued interest on investments	3,202	-	-	-	3,202
Accrued interest on loans and notes receivable	-	-	19,866	-	19,866
Interfund receivables	147,170	-	-	-	147,170
Prepaid expenses and other assets	24,164	156,166	-	972,102	1,152,432
Total current assets	4,740,397	4,733,453	2,650,218	3,604,565	15,728,633
Noncurrent assets:					
Restricted assets	1,375,000	-	500,000	656,291	2,531,291
Derivative instrument – interest rate cap agreement	-	-	362	-	362
Long-term portion of loans and notes receivable	17,840	-	28,812,056	-	28,829,896
Capital assets:					
Assets not being depreciated	4,705,000	2,514,739	-	101,229	7,320,968
Assets being depreciated, net	11,386,105	22,920,611	-	24,717,581	59,024,297
Total noncurrent assets	17,483,945	25,435,350	29,312,418	25,475,101	97,706,814
Total assets	22,224,342	30,168,803	31,962,636	29,079,666	113,435,447
DEFERRED OUTFLOWS OF RESOURCES					
Accumulated decrease in fair value of hedging derivatives	-	-	386,638	-	386,638
LIABILITIES					
Current liabilities:					
Accounts payable and other accrued liabilities	-	-	-	12,730	12,730
Accrued bond interest payable	849	-	29,217	22,878	52,944
Payable from restricted assets	-	-	-	14,058	14,058
Current portion of long-term debt	-	-	204,000	155,286	359,286
Total current liabilities	849	-	233,217	204,952	439,018
Noncurrent liabilities:					
Long-term debt	13,650,000	-	8,046,000	29,685,648	51,381,648
Unearned revenue	67,805	-	864,871	819,444	1,752,120
Total noncurrent liabilities	13,717,805	-	8,910,871	30,505,092	53,133,768
Total liabilities	13,718,654	-	9,144,088	30,710,044	53,572,786
NET POSITION					
Net investment in capital assets	2,441,105	25,435,350	(8,250,000)	(5,022,124)	14,604,331
Restricted					
Restricted for debt service	1,375,000	-	500,000	-	1,875,000
Restricted for program service fees	-	-	-	642,233	642,233
Unrestricted	4,689,583	4,733,453	30,955,186	2,749,513	43,127,735
Total net position	$ 8,505,688	$ 30,168,803	$ 23,205,186	$ (1,630,378)	$ 60,249,299

Missouri Development Finance Board
Combining Schedule of Revenues, Expenses, and Changes in Net Position
Parking Garage Fund | *For the Year Ended June 30, 2017*

	St. Louis Convention Center Hotel Garage Fund	Ninth Street Garage Fund	Seventh Street Garage MDFB Fund	Seventh Street Garage Public Parking Corporation Fund	Total Parking Garage Fund
OPERATING REVENUES					
Parking garage revenues	$ 1,988,415	$ 1,823,930	$ 11,382	$ 1,725,586	$ 5,549,313
Interest on loans and notes receivable	1,758	-	323,698	-	325,456
Rental income	-	187,200	864,971	33,333	1,085,504
Other operating income	41,365	-	-	-	41,365
Administrative services revenue	-	-	30,000	-	30,000
Total operating revenues	2,031,538	2,011,130	1,230,051	1,758,919	7,031,638
OPERATING EXPENSES					
Depreciation and amortization	472,872	750,822	-	752,334	1,976,028
Parking garage operating expenses	596,561	575,583	-	1,364,282	2,536,426
Professional fees	58,000	58,163	47,064	108,042	271,269
Administrative services agreement	-	-	-	30,000	30,000
Office expenses	7,890	13	56	38	7,997
Travel	-	-	22	-	22
Miscellaneous	1,046	-	1,021	-	2,067
Total operating expenses	1,136,369	1,384,581	48,163	2,254,696	4,823,809
Operating income	895,169	626,549	1,181,888	(495,777)	2,207,829
NON-OPERATING REVENUE (EXPENSE)					
Interest on cash and return on investments	12,008	2,321	552	627	15,508
Bond interest expense	(81,798)	-	(345,929)	(252,346)	(680,073)
Bond expense	(158,718)	-	(1,600)	(130,435)	(290,753)
Total non-operating revenue (expense)	(228,508)	2,321	(346,977)	(382,154)	(955,318)
Income (loss) before contributed capital from dissolution of component unit	666,661	628,870	834,911	(877,931)	1,252,511
CONTRIBUTED CAPITAL FROM DISSOLUTION OF COMPONENT UNIT	-	-	3,359,967	2,508,309	5,868,276
Change in net position	666,661	628,870	4,194,878	1,630,378	7,120,787
Total net position – beginning	8,505,688	30,168,803	23,205,186	(1,630,378)	60,249,299
Total net position – ending	$ 9,172,349	$ 30,797,673	$ 27,400,064	$ -	$ 67,370,086

Missouri Development Finance Board

Combining Schedule of Revenues, Expenses, and Changes in Net Position

Parking Garage Fund | *For the Year Ended June 30, 2016*

	St. Louis Convention Center Hotel Garage Fund	Ninth Street Garage Fund	Seventh Street Garage MDFB Fund	Seventh Street Garage Public Parking Corporation Fund	Total Parking Garage Fund
OPERATING REVENUES					
Parking garage revenues	$ 1,725,594	$ 1,752,011	$ -	$ 1,799,448	$ 5,277,053
Interest income on loans and notes receivable	1,187	-	343,522	-	344,709
Rental income	-	187,200	12,626	33,333	233,159
Other operating income	43,461	7,647	-	-	51,108
Administrative services revenue	-	-	30,000	-	30,000
Total operating revenues	1,770,242	1,946,858	386,148	1,832,781	5,936,029
OPERATING EXPENSES					
Depreciation and amortization	459,864	749,997	-	730,847	1,940,708
Parking garage operating expenses	549,991	550,708	-	485,204	1,585,903
Professional fees	28,121	7,100	9,113	108,306	152,640
Administrative services agreement	-	-	-	30,000	30,000
Office expenses	-	-	125	-	125
Travel	-	-	119	-	119
Miscellaneous	66	-	6	-	72
Total operating expenses	1,038,042	1,307,805	9,363	1,354,357	3,709,567
Operating income	732,200	639,053	376,785	478,424	2,226,462
NON-OPERATING REVENUE (EXPENSE)					
Interest on cash and return on investments	9,889	1,919	(28,297)	1,150	(15,339)
Other non-operating income	-	-	-	600,000	600,000
Bond interest expense	(16,262)	-	(393,653)	(274,537)	(684,452)
Bond expense	(169,255)	-	(2,650)	(115,328)	(287,233)
Total non-operating revenue (expense)	(175,628)	1,919	(424,600)	211,285	(387,024)
Total income (loss)	556,572	640,972	(47,815)	689,709	1,839,438
Change in net position	556,572	640,972	(47,815)	689,709	1,839,438
Net position – beginning	7,949,116	29,527,831	23,253,001	(2,320,087)	58,409,861
Net position – ending	$ 8,505,688	$ 30,168,803	$ 23,205,186	$ (1,630,378)	$ 60,249,299

Missouri Development Finance Board
Combining Schedule of Cash Flows
Parking Garage Fund | *For Year Ended June 30, 2017*

	St. Louis Convention Center Hotel Garage Fund	Ninth Street Garage Fund	Seventh Street Garage MDFB Fund	Seventh Street Garage Public Parking Corporation Fund	Total Parking Garage Fund
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	$ 1,995,472	$ 2,030,210	$ 1,237,289	$ 1,725,586	$ 6,988,557
Payments to suppliers	(704,629)	(581,944)	(53,492)	(1,420,191)	(2,760,256)
Net cash provided by operating activities	1,290,843	1,448,266	1,183,797	305,395	4,228,301
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Interfund transfers	-	-	373,236	(373,236)	-
Net cash provided (used) by noncapital financing activities	-	-	373,236	(373,236)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Bond principal paid	(2,000,000)	-	(204,000)	(155,286)	(2,359,286)
Bond interest and fees paid	(240,516)	-	(348,252)	(419,710)	(1,008,478)
Acquisition of buildings and equipment	(44,031)	(169,278)	-	(2,753,142)	(2,966,451)
Net cash (used) by capital and related financing activities	(2,284,547)	(169,278)	(552,252)	(3,328,138)	(6,334,215)
CASH FLOWS FROM INVESTING ACTIVITIES					
Maturities of investments	1,510,159	-	-	106,598	1,616,757
Interest on cash and return on investments	13,008	2,320	552	627	16,507
Receipt of loan payments	14,901	-	20,693	-	35,594
Net cash provided by investing activities	1,538,068	2,320	21,245	107,225	1,668,858
Net increase (decrease) in cash and cash equivalents	544,364	1,281,308	1,026,026	(3,288,754)	(437,056)
Cash and cash equivalents – beginning	3,429,749	4,577,287	3,096,339	3,288,754	14,392,129
Cash and cash equivalents – ending	$ 3,974,113	$ 5,858,595	$ 4,122,365	$ -	$ 13,955,073
Reconciliation of operating income to net cash provided by operating activities:					
Operating income (loss)	$ 895,169	$ 626,549	$ 1,181,888	$ (495,777)	$ 2,207,829
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation and amortization expenses	472,872	750,822	-	752,334	1,976,028
(Increase) decrease in accrued interest on loans and notes receivable	-	-	19,864	-	19,864
(Increase) decrease in prepaid expenses and other assets	(51,050)	51,815	(18,370)	80,004	62,399
Increase (decrease) in accounts payable and other accrued liabilities	9,918	-	13,041	2,167	25,126
Increase (decrease) in unearned revenue	(36,066)	19,080	(12,626)	(33,333)	(62,945)
Total adjustments	395,674	821,717	1,909	801,172	2,020,472
Net cash provided by operating activities	$ 1,290,843	$ 1,448,266	$ 1,183,797	$ 305,395	$ 4,228,301
Reconciliation of cash and cash equivalents to the statement of net assets:					
Cash and cash equivalents	$ 3,599,113	$ 5,858,595	$ 3,622,365	$ -	$ 13,080,073
Restricted assets	1,375,000	-	500,000	-	1,875,000
Less: investments with original maturity of greater than 90 days	(1,000,000)	-	-	-	(1,000,000)
Total cash and cash equivalents	$ 3,974,113	$ 5,858,595	$ 4,122,365	$ -	$ 13,955,073
NONCASH TRANSACTIONS					
Cancellation of debt per dissolution of component unit	$ -	$ -	$ (23,811,332)	$ 29,685,648	$ 5,874,316

Missouri Development Finance Board
Combining Schedule of Cash Flows
Parking Garage Fund | *For Year Ended June 30, 2016*

	St. Louis Convention Center Hotel Garage Fund	Ninth Street Garage Fund	Seventh Street Garage MDFB Fund	Seventh Street Garage Public Parking Corporation Fund	Total Parking Garage Fund
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	$ 1,801,136	$ 1,946,858	$ 373,546	$ 1,799,447	$ 5,920,987
Payments to suppliers	(561,366)	(527,537)	(18,224)	(671,982)	(1,779,109)
Net cash provided by operating activities	1,239,770	1,419,321	355,322	1,127,465	4,141,878
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Bond principal paid	-	-	(195,000)	-	(195,000)
Bond interest and fees paid	(185,517)	-	(384,470)	(398,840)	(968,827)
Acquisition of buildings and equipment	(128,462)	(4,946)	-	(195,280)	(328,688)
Receipt of other non-operating income	-	-	-	600,000	600,000
Net cash provided (used) by capital and related financing activities	(313,979)	(4,946)	(579,470)	5,880	(892,515)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of investments	(2,498,500)	-	-	-	(2,498,500)
Maturities of investments	2,000,000	-	1,062,120	-	3,062,120
Interest on cash and return on investments	14,605	1,919	(13,238)	1,151	4,437
Disbursement of loan proceeds	(38,506)	-	-	-	(38,506)
Receipt of loan payments	8,053	-	26,969	-	35,022
Net cash provided (used) by investing activities	(514,348)	1,919	1,075,851	1,151	564,573
Net increase in cash and cash equivalents	411,443	1,416,294	851,703	1,134,496	3,813,936
Cash and cash equivalents – beginning	3,018,306	3,160,993	2,244,636	2,154,258	10,578,193
Cash and cash equivalents – ending	$ 3,429,749	$ 4,577,287	$ 3,096,339	$ 3,288,754	$ 14,392,129
Reconciliation of operating income to net cash provided by operating activities:					
Operating income	$ 732,200	$ 639,053	$ 376,785	$ 478,424	$ 2,226,462
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation and amortization expenses	459,864	749,997	-	730,847	1,940,708
(Increase) decrease in accrued interest on loans and notes receivable	-	-	23	-	23
(Increase) decrease in interfund receivables	29,935	-	-	-	29,935
(Increase) decrease in prepaid expenses and other assets	16,812	30,271	-	(61,202)	(14,119)
Increase (decrease) in accounts payable and other accrued liabilities	-	-	(8,861)	12,730	3,869
Increase (decrease) in unearned revenue	959	-	(12,625)	(33,334)	(45,000)
Total adjustments	507,570	780,268	(21,463)	649,041	1,915,416
Net cash provided by operating activities	$ 1,239,770	$ 1,419,321	$ 355,322	$ 1,127,465	$ 4,141,878
Reconciliation of cash and cash equivalents to the statement of net position:					
Cash and cash equivalents	$ 4,553,249	$ 4,577,287	$ 2,596,339	$ 2,632,463	$ 14,359,338
Restricted assets	1,375,000	-	500,000	656,291	2,531,291
Less: investments with original maturity of greater than 90 days	(2,498,500)	-	-	-	(2,498,500)
Total cash and cash equivalents	$ 3,429,749	$ 4,577,287	$ 3,096,339	$ 3,288,754	$ 14,392,129

Missouri Development Finance Board
Combining Schedule of Net Position
Revolving Loan Fund | *June 30, 2017*

	MIDOC Fund	Small Business Loan Fund	Total Revolving Loan Fund
ASSETS			
Current assets:			
Current portion of loans and notes receivable	$ 113,047	$ 112,044	$ 225,091
Accrued interest on investments	5,442	-	5,442
Accrued interest on loans and notes receivable	11,920	-	11,920
Total current assets	130,409	112,044	242,453
Noncurrent assets:			
Restricted assets – cash available on loan	1,712,927	1,291,945	3,004,872
Long-term portion of loans and notes receivable	1,132,133	534,321	1,666,454
Total noncurrent assets	2,845,060	1,826,266	4,671,326
Total assets	2,975,469	1,938,310	4,913,779
LIABILITIES			
Current liabilities:			
Accounts payable and other accrued liabilities	-	80	80
Total current liabilities	-	80	80
NET POSITION			
Restricted			
Restricted for revolving loan funds	2,975,469	1,938,230	4,913,699
Total net position	$ 2,975,469	$ 1,938,230	$ 4,913,699

Missouri Development Finance Board
Combining Schedule of Net Position
Revolving Loan Fund | *June 30, 2016*

	MIDOC Fund	Small Business Loan Fund	Total Revolving Loan Fund
ASSETS			
Current assets:			
Current portion of loans and notes receivable	$ 113,047	$ 116,061	$ 229,108
Accrued interest on investments	2,599	-	2,599
Accrued interest on loans and notes receivable	14,680	-	14,680
Total current assets	130,326	116,061	246,387
Noncurrent assets:			
Restricted assets – cash available on loan	1,615,980	1,159,655	2,775,635
Long-term portion of loans and notes receivable	1,188,631	667,113	1,855,744
Total noncurrent assets	2,804,611	1,826,768	4,631,379
Total assets	2,934,937	1,942,829	4,877,766
LIABILITIES			
Current liabilities:			
Accounts payable and other accrued liabilities	749	70	819
Total current liabilities	749	70	819
Total liabilities	749	70	819
NET POSITION			
Restricted			
Restricted for revolving loan funds	2,934,188	1,942,759	4,876,947
Total net position	$ 2,934,188	$ 1,942,759	$ 4,876,947

Missouri Development Finance Board

Combining Schedule of Revenues, Expenses, and Changes in Net Position

Revolving Loan Fund | *For the Year Ended June 30, 2017*

	MIDOC Fund	Small Business Loan Fund	Total Revolving Loan Fund
OPERATING REVENUES:			
Interest income on loans and notes receivable	$ 41,017	$ 14,211	$ 55,228
Other income	2,993	3,512	6,505
Total operating revenues	44,010	17,723	61,733
OPERATING EXPENSES:			
Professional fees	-	870	870
Office expenses	6	80	86
Bad debt expense	-	21,912	21,912
Total operating expenses	6	22,862	22,868
Operating income	44,004	(5,139)	38,865
NON-OPERATING REVENUE (EXPENSE):			
Interest on cash and return on investments	(2,723)	610	(2,113)
Total non-operating revenue (expense)	(2,723)	610	(2,113)
Change in net position	41,281	(4,529)	36,752
Total net position – beginning	2,934,188	1,942,759	4,876,947
Total net position – ending	$ 2,975,469	$ 1,938,230	$ 4,913,699

Missouri Development Finance Board

Combining Schedule of Revenues, Expenses, and Changes in Net Position

Revolving Loan Fund | *For the Year Ended June 30, 2016*

	MIDOC Fund	Small Business Loan Fund	Total Revolving Loan Fund
OPERATING REVENUES:			
Interest income on loans and notes receivable	$ 43,439	$ 17,144	$ 60,583
Other income	3,923	1,457	5,380
Total operating revenues	47,362	18,601	65,963
OPERATING EXPENSES:			
Professional fees	-	707	707
Office expenses	-	22	22
Miscellaneous	6	-	6
Total operating expenses	6	729	735
Operating income	47,356	17,872	65,228
NON-OPERATING REVENUE:			
Interest on cash and return on investments	5,699	531	6,230
Total non-operating revenue	5,699	531	6,230
Change in net position	53,055	18,403	71,458
Net position – beginning	2,881,133	1,924,356	4,805,489
Net position – ending	$ 2,934,188	$ 1,942,759	$ 4,876,947

Missouri Development Finance Board
Combining Schedule of Cash Flows
Revolving Loan Fund | *For the Year Ended June 30, 2017*

	MIDOC Fund	Small Business Loan Fund	Total Revolving Loan Fund
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	$ 43,777	$ 14,364	$ 58,141
Payments to suppliers	(756)	(938)	(1,694)
Net cash provided by operating activities	43,021	13,426	56,447
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of investments	(1,009,440)	-	(1,009,440)
Maturities of investments	1,007,690	-	1,007,690
Interest on cash and return on investments	(5,565)	607	(4,958)
Disbursement of loan proceeds	(105,173)	(7,372)	(112,545)
Receipt of loan payments	164,664	125,629	290,293
Net cash provided by investing activities	52,176	118,864	171,040
Net increase in cash and cash equivalents	95,197	132,290	227,487
Cash and cash equivalents – beginning	608,290	1,159,655	1,767,945
Cash and cash equivalents – ending	$ 703,487	$ 1,291,945	$ 1,995,432
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	$ 44,004	$ (5,139)	$ 38,865
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Adjustment to allowance for bad debt	(2,993)	18,553	15,560
(Increase) decrease in accrued interest on loans and notes receivable	2,760	-	2,760
Increase (decrease) in accounts payable and other accrued liabilities	(750)	12	(738)
Total adjustments	(983)	18,565	17,582
Net cash provided by operating activities	$ 43,021	$ 13,426	$ 56,447
Reconciliation of cash and cash equivalents to the statement of net assets:			
Restricted assets – MIDOC program funds	$ 1,712,927	$ -	$ 1,712,927
Less: restricted investments with original maturity of greater than 90 days	(1,009,440)	-	(1,009,440)
Restricted assets – Small Business program funds	-	1,291,945	1,291,945
Total cash and cash equivalents	$ 703,487	$ 1,291,945	$ 1,995,432

Missouri Development Finance Board
Combining Schedule of Cash Flows
Revolving Loan Fund | *For the Year Ended June 30, 2016*

	MIDOC Fund	Small Business Loan Fund	Total Revolving Loan Fund
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	$ 40,353	$ 17,144	$ 57,497
Payments to suppliers	(6)	(835)	(841)
Net cash provided by operating activities	40,347	16,309	56,656
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on cash and return on investments	5,699	531	6,230
Disbursement of loan proceeds	(205,000)	(14,369)	(219,369)
Receipt of loan payments	182,982	182,011	364,993
Net cash provided (used) by investing activities	(16,319)	168,173	151,854
Net increase in cash and cash equivalents	24,028	184,482	208,510
Cash and cash equivalents – beginning	584,262	975,173	1,559,435
Cash and cash equivalents – ending	$ 608,290	$ 1,159,655	$ 1,767,945
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	$ 47,356	$ 17,872	$ 65,228
Adjustments to reconcile operating income to net cash provided by operating activities:			
Adjustment to allowance for bad debt	(3,173)	(1,457)	(4,630)
(Increase) decrease in accrued interest on loans and notes receivable	(3,836)	-	(3,836)
Increase (decrease) in accounts payable and other accrued liabilities	-	(106)	(106)
Total adjustments	(7,009)	(1,563)	(8,572)
Net cash provided by operating activities	$ 40,347	$ 16,309	$ 56,656
Reconciliation of cash and cash equivalents to the statement of net position:			
Restricted assets – MIDOC program funds	$ 1,615,980	$ -	$ 1,615,980
Less: investments with original maturity of greater than 90 days	(1,007,690)	-	(1,007,690)
Restricted assets – small business program funds	-	1,159,655	1,159,655
Total cash and cash equivalents	$ 608,290	$ 1,159,655	$ 1,767,945

FY 17

Missouri Development Finance Board
A Component Unit of the State of Missouri

Comprehensive Annual Financial Report
For the Years Ended June 30, 2017 and 2016

STATISTICAL SECTION

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Statistical Section (Unaudited)

This part of the Board's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Board's overall financial health. The Board is a discretely presented component unit of the State of Missouri as defined by Government Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity*. Based on GASB No. 61, some of the accompanying statistical section segments will include references to the State of Missouri. Such segments will be noted as such. All other information is to be deemed as attributable to the Board, and does not reflect the financial position and results of operations of the State.

Financial Trends – These schedules contain trend information to help the reader understand how the Board's financial performance and well-being have changed over time.

Revenue Capacity – These schedules contain information to help the reader assess the factors affecting the Board's ability to generate its own source income.

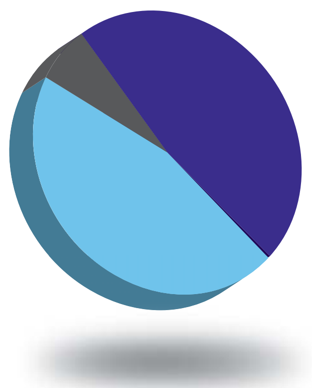
Debt Capacity – These schedules present information to help the reader assess the affordability of the Board's current levels of outstanding debt and the Board's ability to issue additional debt in the future.

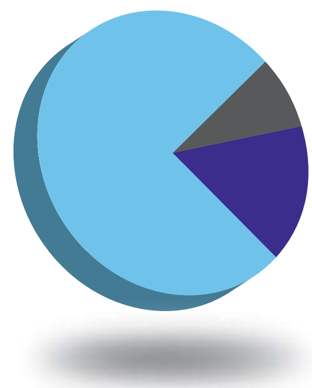
Demographic and Economic Information – These schedules offer demographic and economic indicators to help the reader understand the environment within which the Board's financial activities take place. Due to the fact that the Board was established to serve the State of Missouri, and is a component unit as defined by Government Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity,* demographic and economic information for the State of Missouri will be presented in this section.

Operating Information – These schedules contain information about the Board's operations and resources to help the reader understand how the Boards' financial information relates to the services the Board provides and the activities it performs.

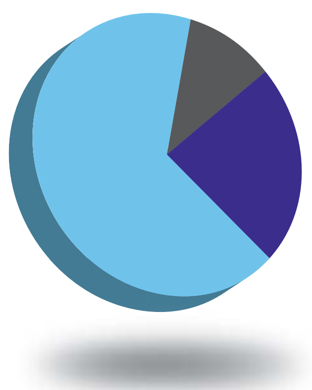
Missouri Development Finance Board
Schedule of Net Position By Component | *Fiscal Years 2008 to 2017*

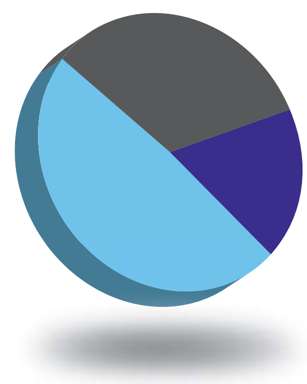
	2017		2016	
Net investment in capital assets	$ 47,533,205	47.45%	$ 14,607,854	16.17%
Restricted	6,788,699	6.78%	7,394,180	8.19
Unrestricted	45,862,953	45.78%	68,327,150	75.64
	$ 100,184,857	100.00%	$ 90,329,184	100.00%





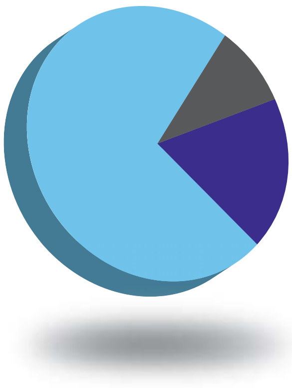
	2012		2011	
Net investment in capital assets	$ 19,499,463	23.20%	$ 15,196,313	18.17%
Restricted	8,668,115	10.32%	27,868,870	33.32%
Unrestricted	55,847,527	66.47%	40,567,366	48.51%
	$ 84,015,105	100.00%	$ 83,632,549	100.00%



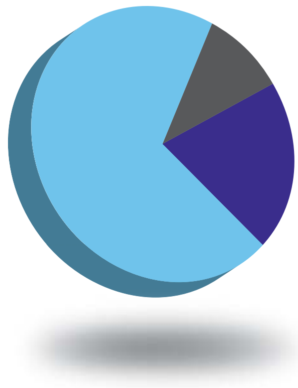


Note: Fiscal years 2010-2011 amounts have been restated to include the SSGPPC component unit.
Note: Fiscal years 2010-2012 unrestricted and total amounts have been restated due to the implementation of GASB No. 65.

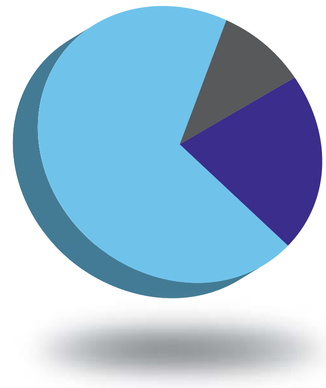
2015			
$	16,031,157	18.43%
	7,936,899	9.12%
	63,036,142	72.45%
$	87,004,198	100.00%



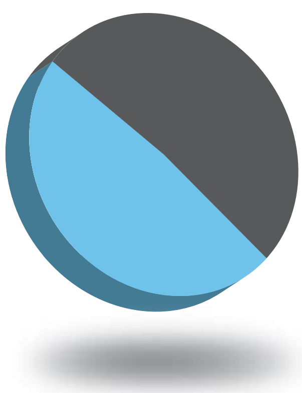
2014		
$	17,753,127	20.38%
	8,407,066	9.65%
	60,932,952	69.96%
$	87,093,145	100.00%



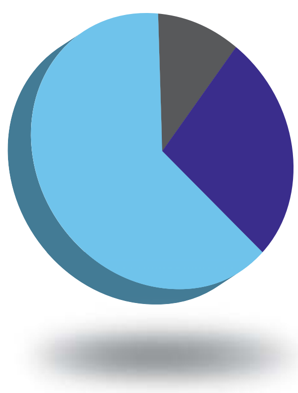
2013		
$	17,801,907	21.30%
	8,069,284	9.66%
	57,703,168	69.04%
$	83,574,359	100.00%



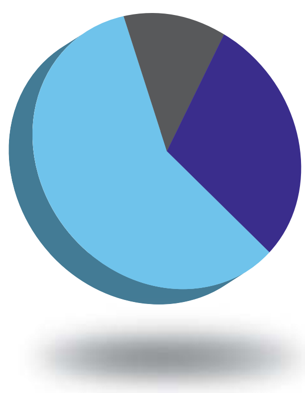
2010		
$	70,973	0.08%
	45,267,090	51.77%
	42,097,604	48.15%
$	87,435,667	100.00%



2009		
$	20,069,761	26.78%
	7,410,706	9.89%
	47,452,756	63.33%
$	74,933,223	100.00%



2008		
$	20,321,656	29.36%
	8,428,168	12.18%
	40,458,398	58.46%
$	69,208,222	100.00%



Missouri Development Finance Board
Schedule of Expenses by Function | *Fiscal Years 2008 to 2017*

	2017	2016	2015	2014	2013
Operating expenses					
Personnel	$ 833,768	$ 700,913	$ 726,121	$ 784,481	$ 806,177
Professional fees	480,823	274,227	232,300	195,910	155,546
Travel	39,251	36,361	38,662	29,058	37,872
Supplies and other	154,193	129,046	156,178	138,550	140,480
Depreciation and amortization	1,979,420	1,946,991	1,927,783	1,936,745	1,941,705
Parking garage operating expense	2,536,426	1,585,903	1,690,374	1,653,820	1,458,828
DREAM expense	-	256,040	326,289	419,632	603,238
Bad debt and miscellaneous	60,394	85,320	160,133	115,430[1]	120,642[2]
License and other payments	30,000	705,540	705,655	-	-
Total operating expenses	6,114,275	5,720,341	5,963,495	5,273,626	5,264,488
Non-operating expenses					
Interest and bond expense	970,826	971,685	701,838	712,795	750,010
Research and development expense	-	-	-	-	-
Contributions to others	14,450	-	1,850,000	14,400	5,014,400
Total non-operating expenses	985,276	971,685	2,551,838	727,195	5,764,410
Total expenses	$ 7,099,551	$ 6,692,026	$ 8,515,333	$ 6,000,821	$ 11,028,898

	2012	2011	2010	2009	2008
Operating expenses					
Personnel	$ 811,731	$ 863,310	$ 809,289	$ 786,596	$ 658,415
Professional fees	238,806	291,826	233,485	490,168	155,086
Travel	36,678	47,448	59,337	67,536	70,355
Supplies and other	116,711	118,594	116,152	113,348	109,176
Depreciation and amortization	1,936,144	1,490,679	1,231,998	1,279,643	1,492,209
Parking garage operating expense	1,325,879	1,174,816	1,020,824	1,032,951	1,348,926
DREAM expense	1,158,332	1,272,301	1,663,518	1,856,262	1,501,079
Bad debt and miscellaneous	101,992[3]	174,466[4]	97,642[5]	153,211[6]	126,076[7]
License and other payments	-	-	-	-	-
Total operating expenses	5,726,273	5,433,440	5,232,245	5,779,715	5,461,322
Non-operating expenses					
Interest and bond expense	1,227,098	1,005,485	705,815	878,092	1,442,893
Research and development expense	-	-	35,350	-	-
Contributions to others	-	5,000,000	-	1,600,000	10,713,892
Total non-operating expenses	1,227,098	6,005,485	741,165	2,478,092	12,156,785
Total expenses	$ 6,953,371	$ 11,438,925	$ 5,973,410	$ 8,257,807	$ 17,618,107

1 *Includes bad debt expense of $21,912*
2 *Includes bad debt expense of $48,570*
3 *Includes bad debt expense of $31,341*
4 *Includes bad debt expense of $19,036*
5 *Includes bad debt expense of $111,013*
6 *Includes bad debt expense of $0*
7 *Includes bad debt expense of $80,001*

Note: Fiscal years 2010-2011 amounts have been restated to include the SSGPPC component unit.
Note: Fiscal years 2010-2012 unrestricted and total amounts have been restated due to the implementation of GASB No. 65.

Missouri Development Finance Board
Schedule of Expenses by Identifiable Activity | *Fiscal Years 2008 to 2017*

	2017	2016	2015	2014	2013
Operating expenses					
Program administration	$ 1,508,035	$ 1,396,587	$ 1,479,550	$ 1,567,631	$ 1,743,313
Parking garage operating expense	2,536,426	1,585,903	1,690,374	1,653,820	1,458,828
Depreciation and amortization	1,979,420	1,946,991	1,927,783	1,936,745	1,941,705
Bad debt and miscellaneous	60,394	85,320	160,133	115,430[1]	120,642[2]
License and other payments	30,000	705,540	705,655	-	-
Total operating expenses	6,114,275	5,720,341	5,963,495	5,273,626	5,264,488
Non-operating expenses					
Interest and bond expense	970,826	971,685	701,838	712,795	750,010
Research and development expense	-	-	-	-	-
Contributions to others	14,450	-	1,850,000	14,400	5,014,400
Total non-operating expenses	985,276	971,685	2,551,838	727,195	5,764,410
Total expenses	$ 7,099,551	$ 6,692,026	$ 8,515,333	$ 6,000,821	$ 11,028,898

	2012	2011	2010	2009	2008
Operating expenses					
Program administration	$ 2,362,258	$ 2,593,479	$ 2,881,781	$ 3,313,910	$ 2,494,111
Parking garage operating expense	1,325,879	1,174,816	1,020,824	1,032,951	1,348,926
Depreciation and amortization	1,936,144	1,490,679	1,231,998	1,279,643	1,492,209
Bad debt and miscellaneous	101,992[3]	174,466[4]	97,642[5]	153,211[6]	126,076[7]
License and other payments	-	-	-	-	-
Total operating expenses	5,726,273	5,433,440	5,232,245	5,779,715	5,461,322
Non-operating expenses					
Interest and bond expense	1,227,098	1,005,485	705,815	878,092	1,442,893
Research and development expense	-	-	35,350	-	-
Contributions to others	-	5,000,000	-	1,600,000	10,713,892
Total non-operating expenses	1,227,098	6,005,485	741,165	2,478,092	12,156,785
Total expenses	$ 6,953,371	$ 11,438,925	$ 5,973,410	$ 8,257,807	$ 17,618,107

1 *Includes bad debt expense of $21,912*
2 *Includes bad debt expense of $48,570*
3 *Includes bad debt expense of $31,341*
4 *Includes bad debt expense of $19,036*
5 *Includes bad debt expense of $111,013*
6 *Includes bad debt expense of $0*
7 *Includes bad debt expense of $80,001*

Note: Fiscal years 2010-2011 amounts have been restated to include the SSGPPC component unit.
Note: Fiscal years 2010-2012 unrestricted and total amounts have been restated due to the implementation of GASB No. 65.

Missouri Development Finance Board
Schedule of Revenues by Source | Fiscal Years 2008 to 2017

	2017	2016	2015	2014	2013
Operating revenues					
Participation fees – Private Activity Bonds	$ -	$ 37,490	$ 50,000	$ -	$ 50,000
Participation fees – Public Activity Bonds	29,313	78,679	89,471	147,608	428,732
Participation fees – Notes Receivable	13,000	5,000	-	-	-
Participation fees – Tax Credits	345,764	1,210,854	723,099	2,218,088	554,792
Participation fees – BUILD Missouri	594,892	896,984	612,698	743,302	3,724,025
Participation fees – MODESA	-	-	-	-	25,000
Interest income on loans and notes receivable	864,724	561,999	559,810	572,347	570,472
Rental income	1,085,504	233,159	233,159	233,159	233,159
Contractual income	-	-	11,250	74,444	70,000
DREAM revenues	-	-	5,698	68,663	271,426
Parking garage revenues	5,549,313	5,277,053	5,175,893	4,973,252	4,372,019
Other income	2,505,571	326,652	705,836	274,207	260,817
Sales tax revenues	954,680	705,540	705,655	-	-
Total operating revenues	11,942,761	9,333,410	8,872,569	9,305,070	10,560,442
Non-operating revenues					
Interest on cash and investments	98,866	83,603	273,467	214,537	27,710
Other non-operating income	-	600,000	-	-	-
Total non-operating revenues	98,866	683,603	273,467	214,537	27,710
Total revenues	$ 12,041,627	$ 10,017,013	$ 9,146,036	$ 9,519,607	$ 10,588,152

	2012	2011	2010	2009	2008
Operating revenues					
Participation fees – Private Activity Bonds	$ 36,175	$ 47,500	$ 115,000	$ 158,160	$ 137,750
Participation fees – Public Activity Bonds	226,951	75,000	112,122	352,308	161,876
Participation fees – Notes Receivable	-	-	5,000	2,162	-
Participation fees – Tax Credits	889,337	1,227,639	2,787,360	1,498,369	2,443,355
Participation fees – BUILD Missouri	479,239	670,288	855,547	464,964	307,438
Participation fees – MODESA	-	-	-	-	25,000
Interest income on loans and notes receivable	593,558	932,215	289,535	160,837	316,786
Rental income	233,060	215,918	169,795	25,008	25,008
Contractual income	70,000	70,000	69,782	77,210	75,990
DREAM revenues	554,527	826,170	924,639	873,330	809,894
Parking garage revenues	3,829,013	3,106,486	2,599,226	3,080,901	3,623,164
Other income	355,320	239,999	234,503	43,362	311,728
Sales tax revenues	-	-	-	-	-
Total operating revenues	7,267,180	7,411,215	8,162,509	6,736,611	8,237,989
Non-operating revenues					
Interest on cash and investments	68,747	224,592	313,345	1,131,792	2,533,726
Other non-operating income	-	-	-	-	-
Total non-operating revenues	68,747	224,592	313,345	1,131,792	2,533,726
Total revenues	$ 7,335,927	$ 7,635,807	$ 8,475,854	$ 13,982,808	$ 10,771,715

Note: Fiscal years 2010-2011 amounts have been restated to include the SSGPPC component unit.
Note: Fiscal years 2010-2012 unrestricted and total amounts have been restated due to the implementation of GASB No. 65.

Missouri Development Finance Board
Schedule of Other Changes in Net Position | *Fiscal Years 2008 to 2017*

	2017	2016	2015	2014	2013
Income (loss) before other changes in net position	$ 3,987,396	$ 3,324,987	$ 630,703	$ 3,518,786	$ (440,746)
Dissolution of component unit	5,868,276	-	-	-	-
Contributed revenue	-	-	-	-	-
Total change in net position	$ 9,855,672	$ 3,324,987	$ 630,703	$ 3,518,786	$ (440,746)

	2012	2011	2010	2009	2008
Income (loss) before other changes in net position	$ 382,556	$ (3,803,118)	$ 2,502,444	$ 5,725,001	$ (6,846,391)
Dissolution of component unit	-	-	-	-	-
Contributed revenue	-	-	10,000,000	-	-
Total change in net position	$ 382,556	$ (3,803,118)	$ 12,502,444	$ 5,725,001	$ (6,846,391)

Missouri Development Finance Board
Parking Garage Space and Rate Information – Principal Parking Garage Lessees | *Fiscal Years 2008 to 2017*

	2017		2016		2015		2014	
	# of Leased Spaces	Monthly Rate	# of Leased Spaces	Monthly Rate	# of Leased Spaces	Monthly Rate	# of Leased Spaces	Monthly Rate
St. Louis Convention Center Hotel Garage Leases *(880-space parking garage)*								
800 Washington, LLC/Renaissance Grand Hotel*	275	$ 227	275	$ 227	275	$ 167	275	$ 227
Merchandise Mart Equity LLC*	20	105	20	105	12	105	18	105
Strategic STL Lofts, LLC, previously STL Loft Partners, LLC, and Roberts Old School House Lofts, LP – reserved spaces	65	130	65	130	65	130	65	130
Lennox Suites, LLC	50	167	50	37	-	n/a	-	n/a
	410		410		352		358	
Ninth Street Garage Leases *(1,050-space parking garage)*								
Court of Appeals – reserved spaces	13	$ 125	13	$ 125	13	$ 115	13	$ 115
Court of Appeals – unreserved spaces	20	105	20	105	20	99	20	99
Webster University – unreserved spaces	30	105	30	105	30	105	30	105
Frisco Associates – unreserved spaces	100	105	100	105	100	105	100	105
Pyramid Construction assigned to Paul Brown Developer, LP – reserved spaces	75	130	75	130	75	130	75	130
Roberts Old School House Lofts, LP – reserved spaces	-	n/a	-	n/a	-	n/a	-	n/a
913 Locust (Talley Properties, LLC) – unreserved spaces	-	n/a	-	n/a	-	n/a	-	n/a
917 Locust (Roberts Brothers Prop.) – reserved spaces	-	n/a	-	n/a	-	n/a	-	n/a
917 Locust (Roberts Brothers Prop.) – unreserved spaces	-	n/a	-	n/a	-	n/a	-	n/a
Syndicate Apartments – unreserved spaces	28	105	28	105	28	105	28	105
Syndicate Retail – unreserved spaces	42	105	42	105	42	105	42	105
STL Tower Partners, LLC/Strategic STL Tower Partners	100	130	150	130	100	130	100	130
	408		458		408		408	
Seventh Street Garage Leases *(750-space parking garage)*								
600 Tower, LLC – reserved spaces	86	$ 165	125	$ 165	89	$ 165	85	$ 160
600 Tower, LLC – unreserved spaces	390	140	386	140	386	140	380	135
U.S. Bank, NA – unreserved spaces	400	130	400	130	400	130	400	135
	876		875		875		865	
	1,694		1,743		1,635		1,631	

St. Louis Convention Center Hotel Garage began operations August 2002.
Ninth Street Garage began operations February 2007.
Seventh Street Garage began operations February 2011.

**Lease is written based on a minimum amount to be paid per fiscal year.*
New license agreement was signed May 2013 and is based on minimum monthly payments.
Monthly rate and # of leased spaces are estimated as of June 30 of fiscal year.

2013		2012		2011		2010		2009		2008	
# of Leased Spaces	Monthly Rate	# of Leased Spaces	Monthly Rate	# of Leased Spaces	Monthly Rate	# of Leased Spaces	Monthly Rate	# of Leased Spaces	Monthly Rate	# of Leased Spaces	Monthly Rate
375	$ 123	375	$ 123	375	$ 123	375	$ 123	375	$ 123	375	$ 123
20	105	20	105	20	105	20	105	20	105	20	105
40	125	50	125	32	125	75	125	75	125	75	125
-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a
435		445		427		470		470		470	
13	$ 115	13	$ 115	13	$ 115	13	$ 105	13	$ 105	13	$ 105
20	99	20	99	20	99	20	90	20	90	20	90
30	100	30	100	30	100	30	100	30	90	30	90
100	100	100	100	100	100	100	100	100	90	100	90
75	125	75	125	75	125	75	125	75	125	75	125
-	n/a	-	n/a	-	n/a	20	100	20	90	20	90
-	n/a	-	n/a	5	100	5	100	5	90	5	90
-	n/a	-	n/a	26	125	26	125	26	125	26	125
-	n/a	-	n/a	15	100	15	100	15	90	15	90
28	100	28	100	28	100	28	100	20	90	20	90
42	100	42	100	42	100	42	100	10	90	10	90
-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a
308		308		354		374		334		334	
89	$ 160	85	$ 155	85	$ 155						
293	130	230	130	170	130						
400	125	400	125	400	125						
782		715		655							
1,525		1,468		1,436		844		804		804	

Missouri Development Finance Board
Parking Garage Revenues – Principle Parking Garage Lessees | *Fiscal Years 2017 and 2008*

	2017	% of Actual Parking Revenue	2008	% of Actual Parking Revenue
St. Louis Convention Center Hotel Garage				
800 Washington, LLC/Renaissance Grand Hotel	$ 750,000	14%	$ 554,282	15%
Merchandise Mart	25,000	0%	25,000	1%
Strategic STL Lofts/STL Loft Partners, LLC	101,400	2%	112,500	3%
Lennox Suites, LLC	100,000	0%	-	0%
	976,400	18%	691,782	19%
Ninth Street Garage				
Court of Appeals	44,700	1%	37,980	1%
Webster University	37,800	1%	32,400	1%
Frisco Associates	126,000	2%	108,000	3%
Paul Brown Developer, LP	117,000	2%	112,500	3%
Roberts Lofts	-	0%	21,600	1%
913 Locust	-	0%	5,400	0%
917 Locust	-	0%	55,200	2%
Syndicate Apartments	35,280	1%	21,600	1%
Syndicate Retail	52,920	1%	10,800	0%
STL Tower Partners, LLC	156,000	3%	-	0%
	569,700	10%	405,480	11%
Seventh Street Garage				
600 Tower	825,480	15%	-	0%
U.S. Bank, NA	624,000	11%	-	0%
	1,449,480	26%	-	0%
Total Base	$ 2,995,580	54%	$ 1,097,262	30%
Actual Parking Garage Revenue	$ 5,549,313		$ 3,623,164	

Missouri Development Finance Board
Pledged Revenue Coverage by Net Revenue Available | *Fiscal Years 2008 to 2017*

	2017	2016	2015	2014	2013
Total operating and non-operating revenues	$ 12,041,627	$ 10,017,013	$ 9,146,036	$ 9,519,607	$ 10,588,152
Total operating and non-operating expenses	7,099,551	6,692,026	8,515,333	6,000,821	11,028,898
Net revenue available	$4,942,076	$ 3,324,987	$ 630,703	$ 3,518,786	$ (440,746)
Debt service					
Principal	$ 2,359,286	$ 195,000	$ 189,000	$ 1,880,000	$ 172,000
Interest[1]	680,073	684,452	409,933	424,743	429,760
Bond expenses	290,753	287,233	291,905	288,052	320,250
Total debt service	$ 3,330,112	$ 1,166,685	$ 890,838	$ 2,592,795	$ 922,010
Debt service coverage	1.48	2.85	0.71	1.36	(0.48)

	2012	2011	2010	2009	2008
Total operating and non-operating revenues	$ 7,335,927	$ 7,635,807	$ 8,475,854	$ 13,982,808	$ 10,771,715
Total operating and non-operating expenses	6,953,371	11,438,925	5,973,410	8,257,807	17,618,107
Net revenue available	$ 382,556	$ (3,803,118)	$ 2,502,444	$ 5,725,001	$ (6,846,392)
Debt service					
Principal	$ 15,014,000	$ 255,000	$ 245,000	$ 1,000,000	$ -
Interest[1]	739,314	595,190	157,074	517,121	1,075,534
Bond expenses	487,784	410,295	548,741	360,971	367,358
Total debt service	$ 16,241,098	$ 1,260,485	$ 950,815	$ 1,878,092	$ 1,442,892
Debt service coverage	0.02	(3.02)	2.63	3.05	(4.74)

[1] *Interest does not include capitalized interest paid from bond proceeds.*

Note: Fiscal years 2010-2011 amounts have been restated to include the SSGPPC component unit.
Note: Fiscal years 2010-2012 unrestricted and total amounts have been restated due to the implementation of GASB No. 65.

Missouri Development Finance Board
Pledged Revenue Coverage by Parking Capacity | *Fiscal Years 2008 to 2017*

	2017	2016	2015	2014	2013
Garages					
Total number of operational garages[1]	3	3	3	3	3
Parking capacity per year[2]	978,200	978,200	978,200	978,200	978,200
Total debt outstanding	$ 19,696,000	$ 51,740,934	$ 51,935,934	$ 52,124,934	$ 54,004,934
Debt service					
Principal	$ 2,359,286	$ 195,000	$ 189,000	$ 1,880,000	$ 172,000
Interest[3]	680,073	684,452	409,933	424,743	429,760
Bond expense	290,753	287,233	291,905	288,052	320,250
Total debt service	$ 3,330,112	$ 1,166,685	$ 890,838	$ 2,592,795	$ 922,010
Daily required revenue per space to cover annual debt service	3.40	1.19	0.91	2.65	0.94

	2012	2011	2010	2009	2008
Garages					
Total number of operational garages[1]	3	3	2	2	2
Parking capacity per year[2]	978,200	978,200	704,450	704,450	704,450
Total debt outstanding	$ 54,176,934	$ 69,190,934	$ 69,445,934	$ 30,850,000	$ 31,850,000
Debt service					
Principal	$ 15,014,000	$ 255,000	$ 245,000	$ 1,000,000	$ -
Interest[3]	739,314	595,190	157,074	517,121	1,075,534
Bond expense	487,784	410,295	548,741	360,971	367,358
Total debt service	$ 16,241,098	$ 1,260,485	$ 950,815	$ 1,878,092	$ 1,442,892
Daily required revenue per space to cover annual debt service	16.60	1.29	1.35	2.67	2.05

[1] KCLG sold May 31, 2008.
[2] Calculated as total number of spaces x 365 days
[3] Interest does not include capitalized interest paid from bond proceeds

Note: Fiscal years 2010-2011 amounts have been restated to include the SSGPPC component unit.
Note: Fiscal years 2010-2012 unrestricted and total amounts have been restated due to the implementation of GASB No. 65.

Missouri Development Finance Board
Outstanding Debt by Type | *Fiscal Years 2008 to 2017*

	2017	2016	2015	2014	2013
Bond debt					
Ninth Street Garage	$ -	$ -	$ -	$ -	$ -
Seventh Street Garage	8,046,000	8,250,000	8,445,000	8,634,000	8,814,000
St. Louis Convention Center Hotel Garage	11,650,000	13,650,000	13,650,000	13,650,000	15,350,000
Total bond debt outstanding	19,696,000	21,900,000	22,095,000	22,284,000	24,164,000
Notes payable					
Seventh Street Garage	-	29,840,934	29,840,934	29,840,934	29,840,934
Total debt	$ 19,696,000	$ 51,740,934	$ 51,935,934	$ 52,124,934	$ 54,004,934

	2012	2011	2010	2009	2008
Bond debt					
Ninth Street Garage	$ -	$ 15,000,000	$ 15,255,000	$ 15,500,000	$ 16,500,000
Seventh Street Garage	8,986,000	9,000,000	9,000,000	-	-
St. Louis Convention Center Hotel Garage	15,350,000	15,350,000	15,350,000	15,350,000	15,350,000
Total bond debt outstanding	24,336,000	39,350,000	39,605,000	30,850,000	31,850,000
Notes payable					
Seventh Street Garage	29,840,934	29,840,934	29,840,934	-	-
Total debt	$ 54,176,934	$ 69,190,934	$ 69,445,934	$ 30,850,000	$ 31,850,000

Note: Fiscal years 2010-2011 amounts have been restated to include the SSGPPC component unit.
Note: Fiscal years 2010-2012 unrestricted and total amounts have been restated due to the implementation of GASB No. 65.

Missouri Development Finance Board
State of Missouri Demographic Statistics – Employment

(In Thousands Except Unemployment Rates Data)

Calendar Year	Civilian Labor Force	Total Employed	Total Unemployed	Missouri Unemployment Rate	U.S. Unemployment Rate
2016	3,111	2,970	141	4.5	4.9
2015	3,128	2,989	139	4.4	5.0
2014	3,058	2,880	178	6.6	6.5
2013	3,066	2,850	216	7.1	7.7
2012	2,993	2,785	207	6.9	8.1
2011	3,022	2,767	255	8.4	8.9
2010	3,039	2,756	283	9.3	9.6
2009	3,068	2,779	289	9.4	9.3
2008	3,050	2,870	180	5.9	5.8
2007	3,049	2,895	154	5.0	4.6
2006	3,036	2,889	147	4.8	4.6
2005	3,011	2,850	162	5.4	5.1
2004	2,988	2,816	172	5.8	5.5
2003	2,979	2,814	166	5.6	6.0
2002	2,986	2,830	156	5.2	5.8
2001	3,003	2,868	135	4.5	4.7
2000	2,973	5,875	98	3.3	4.0
1999	2,911	2,820	91	3.1	4.2
1998	2,911	2,795	116	4.0	4.5
1997	2,904	2,780	124	4.3	4.9
1996	2,869	2,735	135	4.7	5.4
1995	2,822	2,690	132	4.7	5.6

Data Source: Missouri Economic Research and Information Center,
U.S. Department of Labor, Bureau of Labor Statistics

Missouri Development Finance Board
State of Missouri Demographic Statistics – Personal Income

Calendar Year	Missouri Total Personal Income (In Millions)	U.S. Total Personal Income (In Millions)	Missouri Per Capita Personal Income	U.S. Per Capita Personal Income	Missouri % Change From Prior Year	U.S. % Change From Prior Year
2016	$ 266,406	$ 16,017,781	$ 43,723	$ 49,571	3.5	3.6
2015	260,100	15,324,109	42,752	47,669	3.0	4.4
2014	252,300	14,708,582	41,617	46,129	2.7	3.9
2013	241,145	14,081,242	39,897	44,543	1.8	2.6
2012	235,154	13,401,869	39,049	42,693	2.8	2.7
2011	228,218	12,949,905	37,969	41,560	4.3	4.4
2010	218,278	12,308,496	36,406	39,791	1.6	3.0
2009	213,630	11,852,715	35,837	38,637	-5.0	-5.6
2008	223,554	12,451,660	37,738	40,947	6.2	3.6
2007	209,131	11,900,562	35,521	39,506	4.4	4.7
2006	198,727	11,256,516	34,013	37,725	5.5	6.4
2005	186,753	10,476,669	32,253	35,452	2.7	4.6
2004	180,547	9,928,790	31,412	33,909	4.0	5.0
2003	172,529	9,369,072	30,218	32,295	3.2	2.6
2002	166,195	9,054,702	29,286	31,481	2.3	1.0
2001	161,545	8,878,830	28,637	31,157	2.7	2.8
2000	156,359	8,554,866	27,885	30,319	6.4	7.0
1999	145,826	7,906,131	26,218	28,333	3.1	3.9
1998	140,360	7,519,327	25,419	27,258	5.5	6.3
1997	132,117	6,994,388	24,104	25,654	5.3	5.0
1996	124,385	6,584,404	22,901	24,442	4.9	5.1
1995	117,418	6,194,245	21,832	23,262	3.8	4.3

Data Source: Missouri Economic Research and Information Center,
U.S. Department of Commerce, Bureau of Economic Analysis

Missouri Development Finance Board
State of Missouri Demographic Statistics – Population Statistics

Census Year	Population (In Thousands)	% Change	% of Total	
			Urban	Rural
2010	5,989	7.0	70.44	29.56
2000	5,595	9.3	67.8	32.2
1990	5,117	4.1	68.7	31.3
1980	4,917	5.1	68.1	31.9
1970	4,677	8.3	70.1	29.9
1960	4,320	9.2	66.6	33.4
1950	3,955	4.5	61.5	38.5
1940	3,785	4.3	51.8	48.2
1930	3,629	6.6	51.2	48.8
1920	3,404	3.4	46.6	53.4
1910	3,293	6.0	42.3	57.7

Data Source: Missouri Economic Research and Information Center,
U.S. Department of Commerce, Bureau of the Census

Missouri Development Finance Board
State of Missouri Economic Data – Privately Owned Housing Units Authorized by Building Permits

Calendar Year	Number of Units	Valuation (In Thousands)
2016	18,997	$ 3,282,703
2015	18,344	3,146,410
2014	16,003	2,682,665
2013	13,708	2,234,221
2012	12,297	1,878,836
2011	9,242	1,425,673
2010	9,699	1,430,224
2009	10,056	1,433,735
2008	13,273	1,889,739
2007	21,525	3,128,424
2006	29,172	4,086,728
2005	33,114	4,702,016
2004	32,791	4,286,161
2003	29,309	3,596,524
2002	28,255	3,186,632
2001	24,739	2,750,047
2000	24,321	2,569,405
1999	26,840	2,739,418
1998	25,657	2,424,875
1997	25,156	2,265,005
1996	26,298	2,275,667
1995	24,282	2,032,503

Data Source: Missouri Economic Research and Information Center,
U.S. Department of Commerce, Bureau of the Census

Missouri Development Finance Board
State of Missouri – Major Employers 2016 and 2007

2016

Employer	Number of Employees	Percent of Total State Employment
1. State of Missouri	65,000+	2.34%
2. Wal-Mart Associates, Inc.	40,000+	1.43%
3. University of Missouri	20,000-25,000	0.71%-0.89%
4. The Washington University	20,000-25,000	0.71%-0.89%
5. U.S. Post Office	15,000-20,000	0.71%-0.89%
6. The Boeing Company	15,000-20,000	0.35%-0.53%
7. Barnes-Jewish Hospital	10,000-15,000	0.35%-0.53%
8. U.S. Department of Defense	7,500-10,000	0.26%-0.35%
9. Schnuck Markets, Inc.	7,500-10,000	0.26%-0.35%
10. Department of Veterans Affairs	7,500-10,000	0.26%-0.35%
11. Division of Adult Institutions	7,500-10,000	0.26%-0.35%
	215,000-250,000	7.72%-8.98%
Total Statewide Employment	2,783,059	

2007

Employer	Number of Employees	Percent of Total State Employment
1. State of Missouri	70,000+	2.54%
2. Wal-Mart Associates, Inc.	40,000+	1.45%
3. University of Missouri	20,000-25,000	0.72%-0.91%
4. U.S. Post Office	15,000-20,000	0.54%-0.72%
5. The Washington University	12,500-15,000	0.45%-0.54%
6. The Boeing Company	10,000-12,500	0.36%-0.45%
7. Barnes-Jewish Hospital	7,500-10,000	0.27%-0.36%
8. Schnuck Markets, Inc.	7,500-10,000	0.27%-0.36%
9. U.S. Department of Defense	7,500-10,000	0.27%-0.36%
10. Division of Adult Institutions	7,500-10,000	0.27%-0.36%
11. City of St. Louis	7,500-10,000	0.27%-0.36%
	205,000-232,500	7.46%-8.46%
Total Statewide Employment	2,746,227	

Data Source: Missouri Department of Economic Development/MERIC

Missouri Development Finance Board
Schedule of Employee Statistics | *Fiscal Years 2008 to 2017*

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Program Staff										
Full-time	3	3	3	4	4	4	5	5	5	5
Accounting Staff										
Full-time	2	2	2	2	3	3	3	3	2	2
Support Staff										
Full-time	2	2	2	2	2	2	2	2	2	2
Total Staff	7	7	7	8	9	9	10	10	9	9

Missouri Development Finance Board
Schedule of Projects Approved | *Fiscal Years 2008 to 2017*

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Bonds										
Private	-	2	1	-	1	1	4	2	3	7
Public	1	5	4	4	13	6	2	3	9	6
MIDOC	1	-	3	4	2	1	1	1	2	1
Tax Credits	6	6	6	9	3	6	2	3	9	12
BUILD	3	1	1	4	7	4	6	6	4	3
MODESA	-	-	-	-	1	-	-	-	-	-
DREAM	-	-	-	-	-	-	-	5	5	10
Small Business Loans	-	1	-	2	-	13	6	48	-	-
	11	15	15	23	27	31	21	68	32	39

Missouri Development Finance Board
Schedule of Capital Assets | *Fiscal Years 2008 to 2017*

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Office buildings	-	-	-	-	-	-	-	-	1	1
Garages[1]	3	3	3	3	3	3	3	2	2	2
Parking capacity	2,680	2,680	2,680	2,680	2,680	2,680	2,680	1,930	1,930	1,930

[1] *Kansas City Library Garage sold May 31, 2008. Fiscal year 2008 had 3 garages for 11 months out of the year.*

MDFB

Missouri Development Finance Board

200 Madison Street
Suite 1000
P.O. Box 567
Jefferson City, MO 65102
www.mdfb.org

573.751.8479

mdfb@ded.mo.gov